

# **BEYOND GOLDWATER-NICHOLS**

**BGN ► DEFENSE REFORM FOR A NEW STRATEGIC ERA**

Phase 1 Report

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## **Executive Summary**

The *Beyond Goldwater-Nichols* (BG-N) study team concludes that the U.S. national security apparatus requires significant reforms to meet the challenges of a new strategic era. As part of its transformational efforts, the Department of Defense (DoD) must adapt not only to the post-Cold War, post-9/11 security environment but also must cope with many “hidden failures” that, while not preventing operational success, stifle necessary innovation and continue to squander critical resources in terms of time and money. Many organizational structures and processes initially constructed to contain a Cold War superpower in the Industrial Age are inappropriate for 21<sup>st</sup> century missions in an Information Age.

In taking a problem-centric approach to reform issues, the BG-N study team relied heavily on the experience of esteemed former practitioners for both identifying problems and justifying pragmatic recommendations. It also looked beyond the scope of the original Goldwater-Nichols Act in addressing problems that significantly affect how DoD operates today, including the conduct of interagency and coalition operations as well as its relationship with Congress. In making its recommendations, we believed it was essential to give organizations the capacity to carry out new mandates and not simply exhort a better performance from all relevant parties.

In its approach to defense reform, the BG-N study team formulated a set of six guiding principles that would guide its search for recommendations to solve the most serious problems. First, we recognize that preserving civilian control over the military is a paramount value in the American political system and is a prime responsibility of the Secretary of Defense (SecDef). The President relies on the SecDef to assume ultimate authority over the affairs of the department. Though the Defense Under Secretaries act as the principal means for exercising SecDef control of the military, the Service Secretaries continue to perform a meaningful role. Second, we believe that the institutional vitality of the Military Services must be maintained. In a real sense, the Military Services are the most enduring institutions in DoD and maintaining their health is a paramount concern. Third, while it is important to maintain the institutional vitality of the Military Services, jointness needs to be extended as a means to achieving superior military, interagency and coalition operations.

Fourth, despite the “seams” and the elaborate processes that inevitably result, we base our recommendations on the premise that defense resources should continue to be organized, managed and budgeted along Service lines. The Military Services remain the single best source for coherent and integrated budgets within their respective domains and are increasingly coordinating allocation structures to compensate for the inter-service “seams.” Fifth, our recommendations attempt to conform to the basic organization formula that the Combatant Commanders (CoComs), Military Services and defense agencies are the operating elements of the Department of Defense. The Office of the Secretary of Defense and the Joint Staff, in large part, are the staffs that oversee these operations. Our sixth and final guiding principle is to ensure a healthy competition of ideas on major issues among the CoComs, Military Services, the Joint Staff and OSD. A

balance must be struck, however, between processes that ensure a diversity of views on the most critical issues, and processes that create too many competing power centers and unnecessary friction.

We have taken a broad view of defense reform, as is necessary in the new strategic era. No longer can defense reform be confined simply to the institutions and functions of the Department of Defense. Rather, *Beyond Goldwater-Nichols* recognizes that for the United States to fully seize opportunities and confront dangers in the 21<sup>st</sup> century, both DoD and its partners in the U.S. government (USG) must adapt to new strategic circumstances. It is in this collaborative spirit that we hope our recommendations will be received and acted on by the leadership.

### **Rationalizing Organizational Structures in DoD**

Too often, the current organizational structure of the Military Departments, the Joint Staff, and the Office of Secretary of Defense (OSD) unnecessarily overlap, resulting in duplicative and, in some instances, overly large staffs that require wasteful coordination processes and impede necessary innovation.

Forcing a renewed focus on the core roles and responsibilities of each of DoD's principal actors exposes those organizations whose contributions are outweighed by the inefficiencies in process and structure that they perpetuate. A targeted consolidation of DoD organizational structures can thus preserve a diversity of ideas where it is warranted, and do so in a way that strengthens civilian oversight without undermining the value of independent military advice on matters of great interest to U.S. policymakers.

We therefore recommend the merging of most of each Service Secretariat into a single, smaller integrated staff that reports to both the Service Secretary and the Chief of Staff. A more integrated civilian and military staff would reduce friction-generating coordination mechanisms, increase the coherency of Service positions, and provide clearer lines of accountability. As the responsibility for civilian oversight of the military has increasingly shifted to the Office of the Secretary of Defense, the nature of the Service Secretary's job has evolved from a staff function to a "line" function. The Service Secretary no longer needs a large, separate secretariat and would be better served by a more integrated team.

The Joint Staff enables the Chairman to provide oversight of the Combatant Commands and the Military Departments and fulfill his role as the principal military advisor to the National Command Authority.<sup>1</sup> OSD is the apparatus that provides managerial oversight and independent analysis to the Secretary of Defense on issues he deems critical. In line with those key roles and responsibilities, we recommend the integration of military and civilian staffs with respect to managerial functions and

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<sup>1</sup> This report uses the masculine pronoun for the major DoD institutional actors purely for convenience, not as an expression of support for current practice. The BG-N study team believes that opportunities for women in DoD should be expanded and expects that more women will be appointed or promoted to the most senior levels as part of that process.

retaining as separate organizations those Joint Staff directorates that are most directly within the Chairman's military purview. For the personnel and logistics function, we recommend, therefore, that J-1 (Manpower and Personnel) and J-4 (Logistics) be merged into integrated civilian and military offices under a military deputy who reports directly to its respective Under Secretary. J-7 (Operational Plans and Joint Force Development), whose responsibilities have migrated steadily to the Joint Forces Command (JFCOM), should be disbanded. J-7's planning function should go to J-5 (Strategic Plans & Policy).

### **Joint Procurement of Command and Control (C2)**

The armed forces are increasingly waging joint and interdependent combat operations. Yet, as seen in Operations Enduring Freedom and Iraqi Freedom, DoD is still failing to acquire and field joint interoperable command and control capabilities. Therefore, we recommend that J-6 (Command, Control, Communications and Computers or C4) be converted into the core of a department-wide, joint task force (with budgetary and acquisition authority) for Joint C2. This military task force would be commanded by a 3-star (the former J-6) and augmented by appropriate elements of the Defense Information Systems Agency (DISA) as determined by the Secretary of Defense upon the recommendation of CJCS. A new Under Secretary of Defense for C3I, which would be created by elevating the C3 function to the Under Secretary level and combining it with Intelligence, would provide oversight of the new JTF for C2. We support the recent elevation of the intelligence function to the Under Secretary level, but believe that leaving C3 at the Assistant Secretary level understates the importance of the C3 function in modern warfare.

We further recommend that OSD renew its focus on policy formation and oversight, resist the temptation to manage programs and consolidate DoD housekeeping functions under an Assistant Secretary of Defense for Administration.

### **Toward a More Effective Resource Allocation Process**

The Department of Defense's resource allocation process often stifles innovation by making it extremely difficult for defense leaders to make important trade-off decisions across mission areas. Strategic planning, essential in a world of finite resources and shifting priorities, is poorly connected to program decisions and budgeting. And though the Department is adept at allocating resources for its programs, it pays inadequate attention to program execution and policy implementation.

The BG-N study team salutes the substantial effort Secretary Donald Rumsfeld and his team have made to strengthen strategic direction and the building of joint capabilities in the resource allocation process. The changes made during 2003 have considerable promise, but more, we believe, is necessary for them to be fully implemented. As a consequence, we recommend building capacities in the Combatant Commands for a stronger role in the resource allocation process.



We further recommend building a strong Office of Program Analysis and Evaluation (PA&E) capable of providing independent analysis to the Secretary on broad strategic choices facing DoD, as a necessary hedge against those occasions when there is too little jointness in the options generated by the Military Services and the Joint Staff.

Finally, the Secretary of Defense should create an independent, continuous policy implementation/execution review process under a new office within OSD. This office also would be responsible for gathering all authoritative and directive guidance to establish a single, unified statement of the strategies, policies and programs to be followed, implemented and executed. This would provide a clear standard to which all DoD components could be held accountable.

### **Strengthening Civilian Professionals in Defense and National Security**

Civilian professionals in the Defense Department, and the national security agencies more broadly are losing the ability to provide strategic guidance and policy oversight. DoD, in particular, must confront a looming crisis in its ability to attract and retain top-level talent to the career civil service. While the passage of the new National Security Personnel System legislation gives the Secretary of Defense significantly broadened latitude to reshape the future of DoD's civilian workforce, substantial additional steps are needed to attract, retain, motivate and reward a quality and high-performing corps of defense professionals.

We recommend therefore that Congress establish a new Defense Professionals Corps to attract the best and brightest civilians to serve in DoD and to provide greatly expanded opportunities for professional development and career advancement. Training, education, and required interagency rotations for senior-level career appointments should become centerpieces of the new personnel system.

We further recommend that the Secretary of Defense should create a "personnel float" over the next five years of about a 1000 career civilian billets (GS-12 through SES) in OSD and defense agencies to enable education, training and rotations. Congress should also reassess overly restrictive ethics rules to enable defense professionals to more easily move in and out of government service over the course of their careers and limit the number of political appointees to enhance the incentives associated with career service.

### **Improving Interagency and Coalition Operations**

Complex U.S. contingency operations over the past decade, from Somalia to Iraq, have demonstrated the necessity for a unity of effort not only from the armed forces but also from across the U.S. government and an international coalition. In most cases, however, such unity of effort has proved elusive, sometimes with disastrous results. The U.S. national security apparatus requires significant new investments in this area. Otherwise, the United States' ability to conduct successful political-military contingency operations will continue to be fundamentally impaired.

A critical first step is for the President to give greater organizational emphasis to this issue by designating the Deputy Assistant to the President on the NSC staff as having lead responsibility for integrating agency strategies and plans and ensuring greater unity of effort among agencies during execution, and by establishing a new office in the National Security Council with this mandate. Each President, early in his tenure, should review the guidance establishing standard operating procedures for the planning of complex operations.

We further recommend that the Secretaries of all agencies likely to be involved in complex operations abroad (e.g., State, Treasury, Commerce and Justice) set up small, proprietary planning offices to lead the development of agency plans and participate in the interagency planning process. For each contingency operation, the president should designate one senior official to be in charge of and accountable for integrating U.S. interagency operations on the ground once major combat operations have ceased.

Congress has a significant part to play in developing the U.S. government's capacity for conducting successful interagency and coalition operations. It should establish a new Agency for Stability Operations, with a Civilian Stability Operations Corps and Reserve charged with: assessing and preparing for stability operations; organizing, training and equipping civilian capabilities for such operations; and rapidly deploying civilian experts and teams to the field. To facilitate this overall effort, we further recommend the establishment of a new Training Center for Interagency and Coalition Operations, to be jointly run by DoD's National Defense University and the State Department's National Foreign Affairs Training Center.

Finally, Congress must devote increased funds for programs that enhance peacetime opportunities for civilian planners and operators to work with their counterparts from various countries. It should also increase U.S. funding for programs that support building the operational capabilities of allies and partners in priority task areas in complex operations.

### **Strengthening Congressional Oversight**

Congressional oversight of the defense establishment, critically important to the nation's ability to identify and defeat extant and emerging threats to our security and that of our friends and allies across the globe, is languishing. Congress is engaged in too much of the wrong kind of oversight – too few national debates on major issues and far too much time and energy spent on relatively minor and parochial issues. The decline in Congressional oversight has clearly contributed to deteriorating relations between Congress and DoD.

To create the conditions for reinvigorating Congressional oversight of the Defense Department, we recommend that Congress establish a process similar to the one created for the base realignment and closure (BRAC). Congress could establish an independent group -- perhaps made up of former Congressional leaders from both Houses and both

parties -- to assess current committee membership, structures and jurisdictions and to make recommendations on how to enhance Congressional oversight. While the BG-N study team believes that the Armed Services committees should be encouraged to elevate their focus on strategic and policy issues and should be reduced in size, only Congress can decide how to reform itself.

## Chapter 1

### Introduction

In the mid-1980s, a series of operational military failures in the field – the botched attempt to rescue the American hostages in Iran, the Beirut embassy bombing and the interoperability problems during the invasion of Grenada – convinced Congress that the Department of Defense was broken and that something had to be done. Despite intense resistance from DoD, over four years of Congressional hearings, investigation, and analysis finally culminated in the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Goldwater-Nichols)-- a landmark of U.S. defense reform.

Today, the context is very different. Unlike the 1980s, today's DoD failures are "hidden" and largely unknown to the broader public. After all, the United States now fields by far the world's finest military, which has achieved one stunning operational success after another. No institution capable of performing its core function that well can be said to be broken.

But while the U.S. military is extremely good at conducting military operations, it does so very inefficiently. The current DoD budget costs more than a billion dollars per day and that does not even include the costs of maintaining our forces in extended operations such as Afghanistan and Iraq. Given the future fiscal pressures likely on the defense budget, and the demands of an era of rapid, continuous change, DoD needs to do as good a job preparing for military operations as it does in conducting them.

The process that led to the passage of Goldwater-Nichols was laborious and often contentious.<sup>2</sup> External studies and expert groups were central to creating the momentum and consensus for tackling necessary reforms. The Center for Strategic and International Studies (CSIS) played a critical role in building the analytic and political foundation for Congressional action – in particular, through its path-breaking report, *Toward a More Effective Defense*.<sup>3</sup> CSIS also convened a Blue Ribbon commission to help promote the importance of military reform.

More than twenty years later, and with the active engagement of a new generation of former civilian and military practitioners, expert commentators, and accomplished academics, CSIS again is seeking to promote defense reform -- but in a very different political context. Goldwater-Nichols emerged from an intense struggle between the legislative and executive branch. Today, defense reform will occur only if the two branches can agree that a set of proposals makes good sense and work collaboratively to achieve them. With its bipartisan character and breadth of experience, CSIS believes it can help forge that consensus.

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<sup>2</sup> See Jim Locher's excellent chronicle, *Victory on the Potomac: The Goldwater-Nichols Act Unifies the Pentagon*, College Station, TX: Texas A&M University Press (2002).

<sup>3</sup> CSIS Defense Organization Project (Principal Authors: Barry M. Blechman and William J. Lynn), *Toward a More Effective Defense: The Final Report of the Defense Organization Project*, Washington, DC: Center for Strategic and International Studies, Georgetown University (1985).

Drawing upon the vast collective experience of current and former civilian and military officials, the Beyond Goldwater-Nichols (BG-N) study team has sought to identify specific problems and then to develop practical, actionable measures for fixing them.

Our report began with an executive summary and then, following this introduction, includes a brief primer on the Goldwater-Nichols legislation and a scorecard for the principal objectives of Goldwater-Nichols, along with an assessment of unintended consequences from the legislation. Chapter Three describes the assumptions and principles that guided CSIS's approach to defense reform. Chapters Four through Nine identify problems currently facing DoD and propose actions for addressing them. Chapter Ten summarizes the BG-N major recommendations of Phase 1 according to the types of actions required, whether by legislative or executive action. The final chapter identifies the critical issues to be addressed in the second and last phase of the project, scheduled to run from April 2004 through March 2005.

## Chapter 2

### A Goldwater-Nichols Scorecard

The Goldwater-Nichols Department of Defense Reorganization Act of 1986 stands as one of the most important military reforms in U.S. history. As we consider ways in which the current defense establishment should be adapted and updated for 21<sup>st</sup>-century security challenges, it is vital first to appreciate the legacy and long-term impact of Goldwater-Nichols on the way the U.S. military works.

#### **Goldwater-Nichols: A Primer**

Goldwater-Nichols stands as the most comprehensive defense reorganization package enacted since the National Security Act in 1947. Intended to accelerate jointness within the U.S. armed forces by fundamentally redesigning the manner in which they were organized, trained, commanded and employed, Goldwater-Nichols affected virtually all major elements of DoD. Today, many consider Goldwater-Nichols and its subsequent implementation as instrumental in the overwhelming successes of U.S. forces in Panama, the Persian Gulf, Bosnia, Kosovo, and most recently, in Afghanistan and Iraq. The prestige the U.S. military establishment currently enjoys stands in sharp contrast with its reputation prior to the act's passage in October 1986.

Starting with America's involvement in Vietnam and culminating with the Iran hostage rescue attempt and the Beirut bombing, the U.S. military endured a long period of criticism. Even the 1983 Grenada intervention, where the United States *won*, caused serious concern over the lack of progress in executing joint operations. The experiences of that period shaped a widespread Congressional consensus that DoD required a major overhaul. The resulting landmark legislation was the offspring of a number of years of intensive debate, study, hearings and reports conducted by Congressional staffs, the Defense Department, the White House, and throughout the defense establishment.<sup>4</sup> Generally considered a compromise between the more radical approach initially taken by some in Congress and the more moderate slate of recommendations that came out of Executive Branch deliberations, the act's principal sponsors—Senator Barry Goldwater and Senate Armed Services Committee Chairman Sam Nunn and Representative Bill Nichols and House Armed Services Committee Chairman Les Aspin—were able to build exceptionally strong bipartisan support for the reform agenda.

Congress believed that implementation of the act would promote more unified direction and action of the U.S. armed forces by promoting jointness at the expense of the authorities of the Military Services. Notwithstanding the sweeping scope of the legislation, the framers' intent underlying the act remains readily discernible. Congress sought to strengthen civilian authority within the Department, improve military advice to civilian leadership, clarify the authority and responsibilities of the Combatant

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<sup>4</sup> Some military experts trace the intellectual evolution of Goldwater-Nichols to an influential article entitled "Why the Joint Chiefs of Staff Must Change," written by CJCS, General David Jones, USAF. The so-called Jones plan was moderate in comparison to the wide-ranging scope of Goldwater-Nichols yet significant in that he was still serving as Chairman at the time.

Commanders (CoComs, formerly known as “CINCS”), improve strategy formulation and contingency planning, provide for more efficient use of defense resources, and enhance the professionalism and personnel management of the joint officer.<sup>5</sup> Assessments of the extent to which the act has been implemented, its impact on DoD and the nation’s security more broadly, commenced soon after the act’s passage and continue to the present day.

This “scorecard” reviews three categories of issues: (1) the extent to which the objectives explicitly laid out in Goldwater-Nichols have been achieved; (2) the unintended consequences of the legislation; and (3) important defense issues that have arisen since 1986 that the authors of Goldwater-Nichols did not anticipate.

### **Goldwater-Nichols: An Assessment**

*The first explicit objective of Goldwater-Nichols was to strengthen civilian authority.* The legislation clearly enhanced the Secretary of Defense’s (SecDef or Secretary) overall control over the Defense Department. The report accompanying Goldwater-Nichols stated, “The Secretary of Defense has sole and ultimate power within the Department of Defense on any matter on which the secretary chooses to act.” In particular, the legislation substantially increased the Secretary’s authority to provide DoD components with guidance on programs. Critics of Goldwater-Nichols argued, particularly during the 1990s, that the new powers and responsibilities of the Chairman of the Joint Chiefs of Staff (CJCS or Chairman) had excessively weakened the Secretary’s authority. Since Donald H. Rumsfeld became the Secretary of Defense in 2001 though, there has been little doubt about who is in charge in DoD. Many, however, including the current Secretary himself, express frustration about how hard it is for the SecDef to change fundamentally how DoD functions.

*The legislation’s second objective was to improve military advice.* Widespread agreement exists that the quality of military advice improved after Goldwater-Nichols made the CJCS head of an expanded Joint Staff and clearly designated him as “the principal military advisor to the President, the National Security Council, and the Secretary of Defense,” with the other Service Chiefs relegated to roles “as advisors.” In addition, the legislation’s assignment to the CJCS of responsibility for developing joint doctrine has led to the creation and regular updating of a comprehensive body of joint publications.

On the negative side, the Chairman has rarely used his powers to alter roles and missions. Moreover, the President and his senior civilian advisors receive military advice from both the Combatant Commanders and the Chairman, but the quality of the latter might not be as valuable if the Chairman believes his role should be limited to supporting the CoComs’ positions. Finally, Goldwater-Nichols did not envision that the President and the Secretary of Defense would no longer seek military advice from the Service

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<sup>5</sup> Douglas C. Lovelace, Jr., *Unification of the United States Armed Forces: Implementing the 1986 Department of Defense Reorganization Act*, Carlisle, PA: Strategic Studies Institute, August 6, 1996, p. v. These objectives are actually itemized in Act itself.

Chiefs, although that has been the predominant practice. There is a case to be made for a diversity of views on military matters at a time when military experience and knowledge has become an increasingly rare commodity among senior public servants in the White House, Congress and elsewhere.

*The third explicit objective of Goldwater-Nichols was to ensure that the Combatant Commanders had authorities commensurate with their responsibilities.* The new authorities and discretions granted the CoComs in the arena of warfighting were among the most far-reaching innovations in the legislation. In theory, a CoCom is now directly responsible for implementing and directing a campaign plan, with little interference from military or civilian supervisors back in Washington. In practice, however, CoComs frequently have been asked to submit their proposed campaign plans for sometimes-rigorous scrutiny by their superiors. The balance here is probably right, with appropriate discretion and oversight to achieve the desired results. With the possible exception of Kosovo, there has been little civilian micromanagement on the order of President Johnson's practice of poring over bombing targets in the White House basement during the Vietnam War.

*The fourth objective of the legislation was to increase attention to strategy formulation and contingency planning.* Traditionally, the Service Staffs were principally involved in crafting operational plans. Now much of that responsibility has shifted under Goldwater-Nichols to the Chairman, the Joint Staff, the Under Secretary for Policy, and the CoComs. These new institutional arrangements have proven much superior to the prior system. In the area of grand strategy as opposed to contingency planning, however, the National Security Strategy and the National Military Strategy documents that have been produced since 1986 have offered general descriptions of administration foreign and defense policies, but neither document has established the clear priorities required to make trade-offs among competing resource demands. As discussed in Chapter 5, the Defense Planning Guidance also failed to establish priorities and will be replaced by two documents, the Strategic Planning Guidance and the Joint Programming Guidance, which have still to be published (at the time this report was prepared).

*Goldwater-Nichols' fifth explicit objective was to achieve a more efficient use of defense resources.* The legislation has enhanced the CJCS's role in assessing the programs and budgets of the Military Services and other DoD components. The Department also has become more attentive to the need to promote a joint perspective in the requirements and acquisition processes. The Vice Chairman of the Joint Chiefs of Staff (VCJCS or Vice Chairman) has assumed a prominent role in promoting jointness in requirements by means of the enhanced role of the Joint Requirements Oversight Council (JROC) and the introduction of the Joint Warfighting Capabilities Assessments (JWCAs) process. But the 1986 act has not provided the necessary recipe or incentives for reform of the plans and programming functions. The JROC has operated far below its potential, with narrow Service parochial interests often continuing to be decisive over joint perspectives when it comes to setting procurement and requirement priorities. And the Planning, Programming, and Budgeting System (PPBS) continues to suffer from a variety



of problems. Secretary Rumsfeld has made significant efforts to improve the resource allocation process, which will be assessed in more detail in Chapter 5.

*The legislation's sixth objective was to improve the management of joint officers.* By creating a Joint Staff Officer (JSO) designation along with specific reforms for improving the professional military education system, the 1986 act created an entirely new set of incentives and requirements for military advancement. These steps taken together served to advance "jointness" as an operating concept and a means for institutional evaluation in important and innovative ways. But the JSO requirements and assignments continue to have an arbitrary dimension in several organizations. An intensive review of how billets have been selected for the all-important joint requirement, therefore, seems warranted.

*The seventh objective of Goldwater-Nichols was to enhance the effectiveness of military operations.* The objective record here appears to be decisive. Overwhelming successful military campaigns in Panama, the first Gulf War, Bosnia, Kosovo, Afghanistan, and Iraq have provided critical tests of the quality of military advice and operations under the system that Goldwater-Nichols established. While defense reform coincided with the introduction of revolutionary and potentially decisive military capabilities into the armed forces – precision-guided munitions, dominant battlefield awareness, and the direct application of special forces in larger military campaigns – it is undoubtedly the case that the delineation and streamlining of the chain of command from Washington to the theater have also contributed to victory on the battlefield.

*The legislation's final explicit objective was to improve the management and administration of the Department of Defense.* Goldwater-Nichols did create mechanisms to supervise better the increasingly important defense agencies. It also reduced the number of officials in the Office of the Secretary of Defense who reported directly to the SecDef. But OSD is still too involved in managing programs rather than developing and overseeing policy. In addition, while Goldwater-Nichols specified the Service Secretaries' responsibilities to the Secretary of Defense (and stressed the SecDef's authority over them), it did not adequately clarify their relationships to the Service Chiefs or the roles of their civilian staffs.

### **Unintended Consequences and Unforeseen Challenges**

On the whole, the unintended consequences of Goldwater-Nichols have been surprisingly minor given the legislation's sweeping nature. It is probably the case that the act tipped the balance of power of respective Pentagon staffs away from the Services and OSD toward the joint arena. Some also argue that the current equilibrium between civilian and military staffs is fundamentally out of balance. In addition, many observers have expressed concerns that the Services have lost too much power to the CJCS, OSD, the CoComs, and other DoD components. Finally, the enhanced CoCom role in U.S. regional security policy has highlighted weaknesses in their civilian counterparts, especially in terms of resources.

More serious than the legislation's unintended consequences have been issues that have arisen since 1986 that the authors of Goldwater-Nichols, like most everyone else, did not, and in some cases could not, anticipate. Foremost has been the fundamental change in the nature of the security environment. At the time of Goldwater-Nichols, the United States was engaged in a very dangerous, but somewhat predictable, competition with the Soviet Union. Today, the United States, albeit the world's sole superpower, is waging a global war on terrorism and must cope with pervasive uncertainty. A Defense Department designed for a massive, industrial-era opponent is clearly not suited for combating covert, non-state actors in the Information Age.

Another unanticipated issue has been the weakness of the interagency process. Problems in this dimension became apparent in the complex contingency operations during the 1990s in Somalia, Haiti, and the former Yugoslavia. They persist today in Afghanistan and Iraq. Goldwater-Nichols also did not address the organization and role of the National Security Council (NSC). The NSC needs to play a greater role in coordinating policy planning and overseeing policy execution during America's involvement in regional crises. The weaknesses of other U.S. federal government agencies have forced DoD to bear the main burden of nation-building. To redress this situation, civilian capacities for conducting complex contingency operations clearly need to be enhanced.

The importance of coalition operations involving the United States and other countries has increased since 1986 in ways few could have anticipated. The post-Cold War era has seen numerous "coalitions of the willing" employing ad hoc mechanisms for cooperation. We clearly need more effective mechanisms to coordinate planning and operations among coalition partners. Information sharing among allies also remains a problem.

Finally, the increased importance of certain missions since the end of the Cold War, and especially since the events of September 11, 2001, has raised the issue of how DoD should organize to deal with them. These missions include homeland defense, counterterrorism, WMD defense and consequence management, and post-conflict reconstruction.

### **Why Reform Is Needed Today**

It may seem contradictory or counterintuitive to be arguing the case for new defense reforms in the face of the dramatic evidence of recent American military prowess. Unlike the military mishaps in Iran, Grenada, and Beirut that animated the need for change before the enactment of Goldwater-Nichols, the recent record of U.S. military accomplishments is a testament to unsurpassed martial prowess and technological superiority. The invasion of Panama, the first Gulf War, skirmishes in Bosnia, the air campaign against Kosovo, the Afghanistan war, and the invasion of Iraq – while each could be assigned some tactical imperfection or military oversight – collectively provide a picture of armed dominance that would be difficult to improve. These military victories provide the common public understanding of a defense establishment without peer and

not in need of profound changes. Yet a closer examination reveals some systemic shortcomings that need fixing.

Over the past decade, the United States has been actively engaged in several post-conflict reconstruction situations — in Somalia, Haiti, Bosnia, East Timor, Afghanistan, and now Iraq — with only limited degrees of success. Iraq is already the most challenging of the post-Cold War post-conflict reconstruction efforts, and the experience to date reveals that the Defense Department and the U.S. government are ill-prepared and poorly equipped to deal with urgent requirements of nation building. There is no doubt ambivalence, particularly in Pentagon, to prepare for missions deemed by many to be inappropriate, but the sheer repetition of these operations in recent years suggests both a continuing need and an insufficient capability both in the military and in the larger interagency context.

There are also new military and national security missions that have taken on a new urgency since 9/11 and impose new requirements on DoD. These potential missions range from coordinating the activities of the National Guard and elements of the reserves in various homeland security functions such as consequence management activities to providing air defense support during hijackings. The war on terror has blurred many of the distinctions in international security, such as the borders (legal and otherwise) that separate home and abroad, domestic and international. The Defense Department and the many organizations that comprise the national security bureaucracy are still configured primarily for Cold War era operations rather than for some of the growing threats to our national security coming from transnational terrorist groups and others. Preparing for these urgent challenges will require institutional innovations, the creation of new capabilities, and greater coordination throughout the government.

Outdated organizational structures also remain a problem. One of the continuing criticisms of the modern American military establishment is the continuing imbalances in the tooth-to-tail ratio, with redundancies and unnecessary bureaucracy often claiming resources that could be better employed at the operational end of the organization. These duplicative procedures and often overly large headquarter staffs have created a wasteful bureaucracy that is bogged down in protracted coordination processes. In the Executive branch, this has led to too little strategic thinking -- and instilled an excessive attention to details, and sometimes unimportant ones at that.

Even while the defense budget has grown considerably in recent years, there is a growing awareness of the need to rationalize resources because fiscal realities will arguably limit future defense allocations. The Pentagon's inefficient resource allocation process has reinforced inertia, incrementalism and parochialism in the distribution of defense related funds. These inefficiencies are extraordinarily wasteful. They stifle innovation in the deployment of resources for both legacy and transformational systems crucial for the nation's national security.

Compounding the problems of inefficiency and waste in the resource allocation process is the continuing dominance of the Services in the procurement process. Under

the current system, narrow Service interests frequently prevail over joint perspectives and solutions. The fact of too little jointness in the acquisition determinations ultimately is a liability in terms of providing the Combatant Commanders with the necessary capabilities to prosecute modern warfare. While the passage of Goldwater-Nichols has significantly advanced joint perspectives in the policy arena, jointness in the procurement and defense allocation process has lagged substantially and is one of the few unrecognized dimensions of the 1986 legislation. A new round of reforms must aim to close the jointness gap between the policy and operational realms and the overall procurement world.

One of the many benefits of the Goldwater-Nichols reforms was the creation of a strong incentive structure for the Military Services to send their best and the brightest officers to serve in joint billets. The ability of the Joint Staff to consistently attract the finest officers has made it one of the most influential organizations in Washington. At the same time, the staff of the Office of the Secretary of Defense has atrophied correspondingly. There is currently too little civilian expertise in the U.S. government generally and the Department of Defense specifically. This has led to a serious imbalance between military and civilian expertise at the Pentagon, with the consequence being that civilian advice often can not currently compete with that offered by their counterparts on the Joint Staff.

Finally, truly maximizing the full potential of our national security infrastructure requires a deeper communication and partnership between the Executive branch and Congress. This relationship has frayed during the last several years as Congress has largely abrogated its critical oversight role. Trust has been weakened between the two branches of government and must be restored in order to achieve a greater partnership to tackle the nation's defense and security interests.

These problems all impede the full potential of the U.S. government to fulfill its national security responsibilities.

## **Conclusion**

In the final assessment, American military successes since 1986 do not resolve all questions about Goldwater-Nichols' effectiveness. In several important areas, the jury is still out. In addition, just as yesterday's military failures illuminated shortcomings in organization, training, and leadership, today's military successes can obscure underlying shortcomings or festering concerns. We do our military and our country a disservice if we leave such shortcomings unaddressed.

### Chapter 3

## The CSIS Approach to Defense Reform

Whereas the Defense Department looks much as it did soon after Goldwater-Nichols was implemented, the security environment in which DoD operates has changed dramatically. The Cold War is over and the Soviet Union is gone. In the wake of 9/11, the United States protects a vulnerable homeland and is engaged in a protracted global war on terrorism. DoD still fights the nation's wars, but the nature of warfare is changing. Twenty-first century wars are not just military operations, but increasingly demand the use and integration of all the instruments of national power – diplomacy, intelligence, law enforcement, economic and military.

Not only does the Defense Department need to adapt to a rapidly changing security environment, it must cope with many “hidden failures” that, while not preventing operational success *per se*, impede necessary change and continue to produce waste and inefficiency in terms of time and money. Increasingly stressed by the pace of current operations, the U.S. military must transform itself to deal with asymmetric challenges and new missions. Organizational structures and processes initially constructed to contain the Soviet Union are inappropriate for 21<sup>st</sup> century missions.

### Operating Assumptions

- ***In taking a problem-centric approach to reform issues, the BG-N study team relied heavily on experience for both identifying problems and justifying recommendations. It also looked beyond the scope of the Goldwater-Nichols Act in addressing problems that significantly affect how DoD operates today. In making its recommendations, the BG-N study team believed it was essential to give organizations the capacity to carry out new mandates.***

The Department of Defense must cope with conflicting imperatives – adapting to a rapidly changing security environment while preserving the capability to field a military unparalleled in history. Acutely aware of the risks associated with making changes to organizational structures and processes, the BG-N study team took a problem-centric approach to defense reform. We would only recommend organizational or process changes if the problems were significant enough to warrant the risks of unintended consequences. The common-sense axiom – “If it ain’t broke, don’t fix it” – was the operating assumption.

For example, Goldwater-Nichols sought improved military effectiveness through greater jointness in the planning and conduct of military operations. Although one can identify insufficient jointness in how the U.S. military has planned (e.g., Operation Anaconda in Operation Enduring Freedom) or organized (e.g., no joint billets below the four-star Joint Force Commander), the end-result was still superior military operations, and, therefore, an insufficient case for defense reform. On the other hand, the unity of effort that Goldwater-Nichols brought to the planning and conduct of military operations

has not characterized U.S. interagency operations. Here, as illustrated most recently in Afghanistan and Iraq, the problem is severe enough to warrant accepting the risks associated with organizational change.

In addition, the CSIS approach was heavily grounded in experience. Its evidentiary basis is the personal experiences of its interviewees, case studies and real-life lessons learned. In making decisions about recommended solutions, the single most important factor was the judgment of a wide and diverse body of experienced former practitioners. During Phase 1 of *Beyond Goldwater-Nichols*, more than 120 former officials participated in the five working groups that analyzed problems and developed recommended solutions. (See Appendix 1 for the list of BG-N working group participants). Draft Phase 1 results were also vetted in three “murder board” sessions of former senior government leaders who had not been previously involved in BG-N. (See Appendix 2 for the list of participants). We did not arrive at our recommended actions deductively from some ideal organizational end-state, but derived them inductively from the collective experience of BG-N participants.<sup>6</sup> We developed experience-based responses to clearly identified problems.

Although initially focused solely on defense reform, the BG-N study team soon looked beyond the scope of Goldwater-Nichols as they addressed national security issues that concern the entire United States government (USG), not just DoD. As we now see in both Afghanistan and Iraq, success in “major combat operations” must be followed by success in post-conflict “stability operations.” In many instances, DoD’s success hinges on how well it integrates with other USG agencies and coalition partners. In the scoping effort that preceded the Phase 1 study effort, the BG-N study team identified the lack of unity in strategy development, planning and the conduct of interagency operations and the increasingly difficult relationship between Congress and the Office of the Secretary of Defense as two of DoD’s most vexing problems. Thus, it gave the study its title, *Beyond Goldwater-Nichols*, rather than “Goldwater-Nichols Revisited” or “Goldwater-Nichols II.”

The final operating assumption for BG-N is the necessity of building capacity to ensure that any individual or organization given new roles or responsibilities has the ability to execute them. Recommending that an organization, with its current structure and capacities, take on expanded responsibilities in a new process is an empty mandate. One member of the BG-N study group was fond of repeating the direction of the Oxford coxswain as his team was falling behind the Cambridge boat – “Row better, Oxford.” Telling an existing organization to “Do better” or “Act differently” without providing it capacities consistent with its new responsibilities is unlikely to produce results.

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<sup>6</sup> CSIS takes sole responsibility for the analysis and recommendations contained in this report. We sought feedback, but not consent, from the BG-N participants. It is quite likely that no external BG-N participant agrees with every CSIS recommendation. It is also possible that some BG-N participants agree with none of them.

## Guiding Principles

In its approach to defense reform, the BG-N study team formulated a set of principles that would guide its search for recommendations to solve the most serious problems.

- ***Preserving civilian control over the military is a paramount value in the American political system and is a prime responsibility of the Secretary of Defense.***

Prior to the establishment of the Department of Defense, the Service Secretaries helped the President to maintain civilian control. The President now relies on the Secretary of Defense, who has absolute authority, subject to the consent of the President, over the Department of Defense. Over time, the Secretary has turned increasingly to his Under Secretaries as the principal means for exercising his control of the military. The Service Secretaries, however, continue to provide the Secretary of Defense with potentially useful means of providing direction to the department.

- ***The institutional vitality of the Military Services must be maintained.***

The Military Services build and sustain the profession of arms – that is, the body of expert knowledge and the men and women trained in the application of that knowledge to new circumstances – in their respective mediums of warfare. The identity of the Military Services also is critical to motivating young men and women to withstand the rigors of combat. As retired Major General Tom Wilkerson, of the Marine Corps, often stated, “I didn’t sign up to be a ‘DoD-er.’ I wanted to be a Marine.” As force providers to the Combatant Commands, the Military Services are responsible for providing coherent budgets that balance the near-term demand of current operations with the need to invest in future capabilities. The Military Services are the most enduring institutions in DoD and maintaining their health is a paramount concern.

- ***At the same time, it is increasingly apparent that “jointness” can improve unity of effort and performance at many levels, including the interagency.***

Jointness is not an end in itself, but a means to an end such as superior military and interagency operations. The increasingly seamless use of forces in the field, however, makes it more difficult to cope with the lack of integration in how the Military Services equip their forces. For example, as seen most recently in Operation Iraqi Freedom (OIF), interoperability problems continue to plague tactical communications and contribute to friendly fire casualties. Thus, while it is important to maintain the institutional vitality of the Military Service, some functions, such as special forces and missile defense, have already been addressed in an integrated, department-wide manner and others may need to be as well. It is also critical to extend our notions of “jointness” to the interagency and coalition levels.

- ***Resources should still be organized, managed and budgeted along Service lines.***

Goldwater-Nichols has helped enable the separate Military Services to overcome their “seams” and fight as a joint team. This success in bringing greater jointness to the conduct of military operations has led some to advocate greater jointness in how DoD organizes and prepares for warfare. The BG-N study team gave serious consideration to less Service-centric approaches to managing resources, including the British Defense Ministry’s reliance upon “joint capability managers” to define requirements and a central procurement office for weapons acquisition. The Military Services, however, remain the single best source for coherent and integrated budgets within their respective domains. Therefore, the BG-N study team decided not to alter the basic organizational formula for how DoD allocates resources. Managing resources on a distributed basis, however, requires a continuing focus on coordinating structures to compensate for the inter-Service problems and “seams.”

- ***The Combatant Commanders, Military Services and defense agencies are the operating elements of the Department of Defense. The Office of the Secretary of Defense and the Joint Staff, in large part, are the staffs that oversee these operations.***

The Secretary of Defense’s oversight of operations of a military nature is exercised through the Joint Staff (JS) and his oversight of operations of a management nature is through OSD. As a general rule, the JS should not function as an operational general staff and OSD should not manage programs. As staffs supporting the Secretary of Defense and the Chairman of the JCS, OSD and the JS should focus on policy formulation, policy representation and policy oversight in their respective areas of responsibility.

- ***Ensuring a healthy competition of ideas on major issues is critical.***

The Secretary of Defense needs an NSC-like process that forces up options for his decision. The CoComs, Military Services, the Joint Staff and OSD all bring valid perspectives to the table and should be heard. Having a diversity of views on the most critical issues helps inform the Secretary’s decision by ensuring that key considerations are surfaced. Nevertheless, a balance must be struck between processes that ensure a diversity of views on critical issues, and processes that create too many competing power centers and unnecessary friction.

## **Conclusion**

The BG-N study team’s approach to defense reform is based, first and foremost, on pragmatism. We rely heavily on experience for identifying and addressing problems. We seek to preserve civilian control and maintain the institutional vitality of the Military Services while extending and broadening jointness where it makes sense. The Services remain, however, primarily responsible for managing resources. We also believe that the best ideas emerge from a healthy struggle between competing offices but try to limit that competition to major issues. Our pragmatism may have led, in the eyes of some, to a lack



of boldness in our recommendations, but we believe caution is warranted. Organizational reforms are rife with unintended consequences. With the national security of our country on the line, our first principle must be to do no harm.

## Chapter 4

**Rationalizing Organizational Structures in DoD**

Anybody who has worked in the Pentagon knows how difficult it is to get anything done. Duplicative offices in OSD, the Joint Staff and the Military Departments can create excessive, wasteful coordination processes. For example, the OSD manpower executive must deal with one Joint Staff, three civilian (in the Service Secretariats) and four military (in the Service Staffs) counterparts. The arduous drill of getting all the “chops” required for advancing a proposal up the chain frustrates innovators, because those supporting the status quo have so many opportunities to block or dilute suggested changes.

The friction inherent in a decision-making process that attempts to integrate policy in a decentralized institution has led, in the eyes of most observers, to overly large headquarters staffs that encourage a focus on small pieces of issues, often losing sight of the big picture. This perception has led the last three Secretaries of Defense to impose (sometimes at the behest of Congress) across-the-board headquarters personnel cuts. These reductions have had uncertain effects as overworked action officers increasingly rely on field operating agencies (FOAs) and contractor support to get their jobs done. The conviction that headquarters staffs are too large also runs contrary to the frequently expressed view that there is too little civilian expertise, either in OSD or the USG, which leads to an over-reliance on uniformed military personnel to do jobs for which they are ill suited.

There are no clear-cut rules for determining how much staff is enough. In its discussions with current and former practitioners, the BG-N study team often heard agreement with the general proposition that headquarters staff had grown too large, followed almost immediately (in some cases) with the lament that he or she was “under resourced” (that is, needed more people) for his or her responsibilities. Most fundamentally, members of the BG-N working group on the resource allocation process agreed that decision-making processes invariably expand to fill the time made available to them: “If you give the Services 18 months to build their Program Objective Memorandums (POMs), it will take 18 months; if you give them a year, it will take a year.” Similarly, OSD, which currently has about 2,100 authorized staff but relies on many more, would be just as busy if it had 20 percent more personnel. It seems to be an iron law of governmental organizations that processes will expand to absorb the resources made available to them.

While not at all confident that this problem is solvable, the BG-N study team believed that rationalizing and simplifying organizational structures in the Pentagon could result in organizational processes that are less onerous and demanding.<sup>7</sup> The design principles for rationalizing DoD organizational structures reflect the CSIS approach to defense reform.

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<sup>7</sup> Organizational issues affecting the Unified and Specified Commands will be addressed in the Phase 2 assessment of the Unified Command Plan (UCP). The analysis here is confined to the Office of the Secretary of Defense, the Joint Staff and the Military Departments.

## Guiding Principles

- *Focus on key roles and responsibilities.*

The staffs of the Secretary, the Chairman and the Military Secretaries should focus on their essential functions in support of their principals and resist the temptation to “stray out of their lanes” and usurp the roles of others. OSD, for example, should focus on policy formation and oversight, not program management, which is the province of the Military Services.

- *Preserve duplicative staff elements where a diversity of views is desired; consolidate elsewhere.*

Having multiple advocates ensures a healthy competition of ideas on major strategic choices facing the Secretary, but he does not need a full range of advocates on every issue. For example, as the principal military adviser to the National Command Authority (NCA), the Chairman needs an independent staff to provide advice on military matters, but, in our judgment, does not need independent staffing for offering advice to the Secretary on manpower and logistics. The Chairman, of course, needs staff expertise on manpower and logistics for the planning of military operations.

Reducing the friction that plagues DoD decision-making will require a return to basics – define the essential role and responsibilities of the key players, focus their staffs on the essentials, discipline those who stray and consolidate functions where multiple advocates are not necessary.

## Key Roles and Responsibilities

The **Secretary of Defense**, under the direction of the President, exercises authority, direction and control over all components of the Defense Department. As mentioned previously, the report language for Goldwater-Nichols was emphatic on this point: “The Secretary of Defense has sole and ultimate power within the Department of Defense on any matter on which the Secretary chooses to act.” As the individual ultimately responsible for anything DoD does, the Secretary has the authority to run DoD in any matter he sees fit, subject, of course, to the direction of the President and the limitations imposed by Congress. The recommendations offered here are not intended to limit the Secretary’s discretion, but to suggest guidelines for how his broad authority should be used.

In a very real sense, all of the headquarters staff in the Pentagon support the Secretary of Defense since he is ultimately responsible for all actions of the Department. The **Office of the Secretary of Defense**, his personal staff, serves him best when it focuses upon policy formulation, policy representation, and policy oversight. In the first role, OSD conducts analyses, develops policy options, provides advice, and makes recommendations to the Secretary for his consideration and adoption. OSD also

represents the Secretary in the interagency process, before the Congress and foreign governments, and with the general public. Finally, OSD provides oversight of the implementation of DoD policies and programs to ensure they are consistent with the Secretary's intent.

OSD, of course, can perform other duties that the SecDef might prescribe. Although OSD elements have managed programs on occasion (e.g., environmental cleanup and nuclear threat reduction during the Clinton administration), their track record has been uneven at best. More importantly, managers of programs tend to become advocates for those programs, rather than dispassionate evaluators of how well the program in question meets SecDef plans and priorities. OSD management of programs compromises the essential role of OSD in policy formulation – namely, to provide an independent source of advice to the Secretary – and should be avoided.<sup>8</sup> It should also be noted that OSD's policy oversight function, if pursued too aggressively, could spill over into program management. OSD oversight should focus on what a particular program or activity is accomplishing, rather than how those accomplishments are being achieved.

Much of OSD's oversight is conducted during the PPBE cycle and tends to focus on how well programs are executed (in terms of obligating funds) as an input to determining how much to allocate to that program in the next budget request.<sup>9</sup> This is an important consideration, but OSD oversight should focus much more on how well DoD programs and activities are implementing SecDef guidance and priorities.

The **Chairman of the Joint Chiefs of Staff** is the principal military advisor to the President, the National Security Council and the Secretary of Defense. He also exercises authority, direction and control of the **Joint Staff**, which before Goldwater-Nichols reported to the Joint Chiefs of Staff as a collective body. In order to support the Chairman's role as the principal military advisor, the Joint Staff must have an independent capability (from the Military Services, Combatant Commanders and OSD) on key military issues. Defining what constitutes a "key military issue," which requires an independent Joint Staff element, and what constitutes other defense issues, where the Secretary would be better served by an integrated civilian and military staff, is a matter of judgment.

There are two line organizations in the Department of Defense – the **Unified and Specified Combatant Commands** and the Military Services. The Commanders of the Unified Commands are the highest-ranking military officers in the chain of command for the conduct of military operations within their geographic areas of responsibility or functional areas of responsibility. Goldwater-Nichols empowered the CoComs by giving them "combatant command" authority over assigned forces and establishing a chain of command that ran from the President to the Secretary of Defense to the Combatant

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<sup>8</sup> This report does not address the issue of OSD's role in the acquisition process. It will be addressed in Phase 2.

<sup>9</sup> In one of many changes that Secretary Rumsfeld has made to PPBS, he added an "E" for Execution, resulting in the PPBE system. This and other allocation process reforms will be assessed in the next chapter.

Commander. Although Goldwater-Nichols (as reflected in existing Title 10 language) states that the Secretary of Defense “may” communicate to the Combatant Commanders through the Chairman of the Joint Chiefs of Staff, the current Unified Command Plan states that the Secretary “shall” communicate with the CoComs through the CJCS. In addition to giving CoComs combatant command authorities, subject to the direction of the Secretary of Defense and the President, Title 10 authorized them with “coordinating and approving those aspects of administration and support (including control of resources and equipment, internal organization, and training) and discipline necessary to carry out missions assigned to the commands.” These latter authorities, except for SOCOM which was provided Title 10 authorities by Congress, are much less powerful in the face of the Title 10 responsibilities of the Military Services.

The **Military Services** provide forces for employment by the Combatant Commanders. The **Service Chiefs** are the senior military officers of their respective Services. They also serve as members of the Joint Chiefs of Staff and, like the CJCS, are military advisers to the National Command Authority. The Service Chiefs rarely play this latter role as Presidents and Secretaries increasingly rely on the Combatant Commanders and the Chairman for military advice.

By providing the **Service Secretaries** with authority over their departments and a large staff to support them, Goldwater-Nichols envisioned that the Secretary of Defense would exercise civilian control of the military through the Service Secretaries. With rare exceptions, however, Secretaries have relied on the OSD Under Secretaries who deal directly with their counterparts in the **Service Staffs**, rather than the **Service Secretariats**, in managing DoD affairs. In part, this practice reflects Defense Secretaries’ collective judgment that their OSD Under Secretaries are both more able and more likely to pursue faithfully SecDef priorities than the Service Secretaries who may be “captured” by their Military Service.<sup>10</sup> It also reflects the practice of many administrations to populate the Military Departments with political appointments. Service Secretaries, however, continue to play an important representational role, particularly in Congress, and often provide the best means for handling difficult and politically charged social issues.

## Recommendations

- *Merge most of each Service Secretariat into a single, smaller integrated staff that reports to both the Service Secretary and Chief.*

The most significant consolidation of staffs should occur at the level of the **Military Departments**. The operational arm of DoD for management matters is the

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<sup>10</sup> On taking office, Secretary Rumsfeld created the Senior Executive Council (SEC), which included the Service Secretaries and top OSD civilians but no uniformed personnel, to serve as the senior management group. He learned quickly that the uniformed chiefs of the Services needed to be included in the process if decisions taken in the senior management group were to have any traction in the Military Services. The Senior Leadership Review Group (SLRG), which included both the Service Secretary (or Deputy Secretary) and the Chief (or Vice Chief) of the Services, as well as the Chairman (or Vice Chairman) of the Joint Chiefs of Staff, soon emerged as the senior management forum.

Military Services. The Secretary of Defense relies primarily on OSD for the oversight function, not the now-duplicative Service Secretariats. As can be seen in current organizational charts (see Appendix 3), the Secretariats and Service Staffs are virtual “mirror images” of each other (with the Army’s being the most exact duplication). In the candid judgment of most observers, the “real work” at headquarters is done by the Service Staffs, which, particularly with respect to personnel, installations and financial issues, must coordinate with their civilian counterparts.

Although there are undoubtedly many instances where this extra layer of review has made positive contributions, the value added by Secretariat review is far exceeded by the costs of maintaining duplicative staffs at the Department level. Too much of the Secretariat-Staff interaction is needless friction that consumes staff time and adds little value in enhancing the independence of military advice. By far the most important civilian-military relationship at the headquarters staff level is that between OSD and the Service Staffs. In fact, considerable Secretariat energy goes into discovering what is going on between OSD and their uniformed Service counterparts and seeking their rightful place at the table. Substantially reducing the Service Secretariats would reduce incoherency at the top of the Military Departments and enable each of the Military Services to speak with one voice. While there is a case to be made for DoD having two representatives (OSD and the Joint Staff) in the interagency process, there is little value in the Military Departments having both Service and Secretariat representation at internal DoD meetings in the Pentagon.

The Service Secretariats grew during the 1950s when OSD was relatively weak and the President relied upon the Service Secretaries as his principal means of exercising civilian control of the military. Responsibility for civilian oversight has increasingly shifted to the Office of the Secretary of Defense. The nature of the Service Secretary’s job as evolved from a staff function to a “line” function. The Service Secretary no longer needs a large, separate secretariat and would be better served by a more integrated team.

With the progressive evolution of substantive control immediately under the Secretary of Defense, the role of the Service Secretariats has been diminished. Consequently, it is proving harder to recruit first-line talent to what are increasingly seen as second-tier positions. There have been, of course, strong and effective Service Secretaries, such as John Lehman and Don Rice. But their effectiveness stemmed from their personal attributes and credibility as leaders, not from having a large independent staff.

Although most of the practitioners consulted by the BG-N study group favored significant reductions in the size of the Secretariats, few recommended eliminating the Service Secretaries themselves. At a minimum, Service Secretaries provide the civilian capstone necessary for military institutions in the American political system. They also play an important representational role, particularly in Congress, and provide a political perspective that is often invaluable to a Service Chief. When a Military Service faces a scandal such as Tailhook or Aberdeen, Service Secretaries are especially useful to the Secretary of Defense because they provide a civilian layer of accountability between the

Military Service and the Office of the Secretary of Defense. Finally, Service Secretaries provide the Secretary of Defense with an additional means (beyond his Under Secretaries) for implementing his policies and priorities.

Service Secretaries have often served as effective change agents in their departments, particularly in the Department of the Navy where the Secretary's leverage is greater because he can "play off" two Military Services against each other. By virtue of being much closer to their uniformed Services than the OSD Under Secretaries, Service Secretaries can also provide critical counsel to the Secretary of Defense on senior military appointments, one of the primary tools available to the civilian leadership for transforming the military. A potential downside to our recommendation that most of each Service Secretariat should be merged into a single, smaller integrated staff that reports to both the Service Secretary and the Chief is that it could make it even harder for a pro-active Service Secretary to support change. Proposals for empowering the Service Secretaries – for example, giving the Secretary a greater role in appointing the Service Chief or shortening the Chief's current tenure (from four years to two years with an option to extend) – were considered by the BG-N study team, but not accepted, in part, because they might undercut the role of Service Chiefs as the institutional leader of their Service by making them more of an extension of a particular administration. Moreover, the BG-N team concluded that a Secretariat constructed along the lines described in the next paragraph would provide a capable Service Secretary with all the staff horsepower that he or she would need.

A Secretariat that is appropriate for the Service Secretary's actual role, rather than the role suggested by his formal authorities, would be much smaller. The General Counsel (GC) and the Inspector General (IG) should remain as direct reports to the Secretary, both for legal and functional reasons. In addition to supporting the Service Secretary, who is formally in charge of the Military Service, the GC provides the interface between the military justice system and the civilian legal system. The Congress established the IG as a direct report to the Secretary to ensure its independence. The legislative affairs function should also remain part of the Secretariat to ensure civilian representation to the Congress on the full range of departmental issues. The Secretary also needs a small independent executive action group to staff selected Secretarial initiatives.

With the possible exception of the Assistant Secretaries for Acquisition – whose status will be addressed in the Phase 2 analysis of defense acquisition – the BG-N study team recommends that the rest of the Secretariats either be disbanded (in the case of duplicative offices) or integrated (in the case of complementary offices) into the existing Service Staffs. In the Army's recent consolidation of Service Staffs and Secretariats (which reportedly freed up over 600 billets), it retained the civilian Assistant Secretaries and paired each with a three-star officer with similar responsibility. This ensured that the Service Chief would have a uniformed chain of command (from him to the 3-star Deputy Assistant Secretaries) and that the Service Secretary could "reach below" the Service

Chief and deal directly with the civilian Assistant Secretaries. The former Service Secretaries that we consulted favored this approach.<sup>11</sup>

Eliminating or consolidating much of the Secretariat into the Service Staff will ensure that the Service Chief has authority commensurate with his responsibility and provides clearer lines of accountability. This streamlined organizational structure also should reduce intra-departmental friction and enable the Departments to speak with one voice in internal DoD meetings.

- ***For the personnel and logistics function, create an integrated civilian and military staff under a military deputy who reports directly to his respective Under Secretary.***

Ensuring a competition of ideas in DoD usually requires duplicative officers bringing diverse perspectives to bear. The “light” shed on a particular issue comes at a cost, namely the “heat” of bureaucratic competition that adds friction to decision-making processes. On some issues, the Secretary will want a diversity of views, despite the losses in efficiency. On other issues, he will not. In some instances, an integrated civilian and military staff would better serve the Secretary by strengthening policy formation and civilian oversight. Determining how DoD should be organized for a particular function cannot be done with scientific precision – it is a matter of judgment and the decision, of course, belongs to the Secretary.

The search for potential consolidation of OSD and Joint Staff offices should begin with the Chairman’s role as the principal military advisor to the National Command Authority. While the Secretary of Defense might welcome the Chairman’s advice on all DoD matters, does the Secretary need the Chairman to be independently staffed on every issue given to DoD? Or would the Secretary be better served by having a consolidated staff of civilian and uniformed personnel that reports directly to him while keeping the Chairman informed?

The BG-N study team believes that the following Joint Staff offices are critical to the Chairman’s role as principal military advisor and should thus be retained: J-2 (Intelligence),<sup>12</sup> J-3 (Operations), J-5 (Strategic Plans and Policy) and J-8 (Force Structure, Resources & Assessment). The case for keeping J-2 and J-3 is obvious. Although some have proposed combining J-5 with its OSD counterparts, doing so implicitly assumes that it is possible to separate the purely military aspects of an

<sup>11</sup> Because the Department of the Navy has two Military Services, it will need to be organized differently from the other two Services. The current Secretary of the Navy, Gordon England, reports that at the beginning of his term, he “slimmed down” his secretariat by about 300 billets as he sought to create a civilian-Navy-Marine “team approach” to managing his Department. Although the Navy’s current organizational structure differs from that recommended here (see Appendix 3), the intent expressed by Secretary England is quite similar. The Under Secretary of the Air Force is also the Director of the National Reconnaissance Office and the Executive Agent for DoD Space. This latter arrangement will be addressed in BG-N Phase 2.

<sup>12</sup> As a directorate in the Defense Intelligence Agency, a field agency that reports to the Secretary of Defense, J-2 is already part of an integrated office that serves both the Secretary and the Chairman.



operation from the political. The interconnectedness of the political and military dimensions, however, suggests that any military operation must be viewed as a “pol-mil” issue of key importance, one that requires an independent staff for the Chairman. Similarly, the Secretary needs the Chairman to play a key role in the resource allocation process and the determination of joint capability needs. For this, the Chairman needs an independent analytic capability. Virtually all observers agree that, of all the headquarter staffs, the Joint Staff is the most competent. Focusing on the core areas defined above (J-2, J-3, J-5 and J-8), particularly if supplemented by resources freed up in other areas, could enable a great staff to perform even better.

Neither the Secretary nor the Chairman needs competing sources of advice on personnel matters. Therefore, the BG-N study team recommends combining elements of J-1 (Manpower and Personnel) and the relevant parts of OSD, Personnel and Readiness (P&R) under a military deputy to the Under Secretary (P&R). Responsibility for joint officer management and human resources should be moved out of headquarters to a field operating agency (FOA) that reports to the Chairman. In contrast to personnel matters, however, both the SecDef and Chairman need much stronger support on the logistics function.

Logistics is an \$85 billion enterprise that is not well understood, receives little guidance and far too little oversight from either OSD or the Joint Staff. Transportation Command (TRANSCOM) has recently been made the “distribution process owner” for the entire supply management system, a move that might presage the creation of a logistics command by combining TRANSCOM and the Defense Logistics Agency. Integrating much of J-4 (Logistics) with the Deputy Under Secretary of Defense for Logistics and Material Readiness under a three-star deputy to the Under Secretary of Defense for AT&L would be a major step in ensuring sufficient OSD attention to this critical function. In fact, it would empower the uniformed deputy by bringing him closer to the signature authority of the Secretary of Defense to direct the Military Services to dispatch commodities. The Secretary could delegate that authority to the civilian Under Secretary. Responsibility for operational logistics planning should reside with a two-star deputy to the J-3 (with an appropriate staff), who would serve as the Joint Staff’s senior logistician. Rounding out this recommendation, the Joint Logistics Operations Center should move inside the J-3.

Our recommendations with respect to J-6 (Command, Control, Communications, and Computers (C4) Systems) reflect our judgment that in the area of command and control (C2), it is time to make an exception to our guiding principle that resources should be managed and budgeted along Service lines. This will be discussed in depth in Chapter 6. DoD has been struggling for almost two decades to build interoperable, joint Command and Control (C2), yet we are still deploying forces to the field that cannot communicate with each other. For understandable reasons, the Military Departments have focused first on making their internal assets work and then tried to grow toward the center to achieve interoperability. In repeated efforts to persuade the Military Services to buy compatible communication systems, J-6 and its civilian counterpart, the Defense Information Systems Agency (DISA), have attempted to build operational architectures

and set standards for interoperability. Yet the separate Military Departments are still fielding incompatible communications systems. We need an enterprise-wide solution to an enterprise-wide problem.

The BG-N study team recommends, therefore, that J-6 be converted into the core of a new department-wide, military task force (with budgetary and acquisition authority) for joint C2. This recommendation will be discussed at greater length in Chapter 6. As we recommend for the logistics function, the responsibility for operational planning for C4 could be assigned to a deputy J-3 for C4. An alternative approach would be to follow the DIA and J-2 model with one of the deputies of this new joint C2 task force double-hatted as the J-6.

The responsibilities of J-7 (Operational Plans and Joint Force Development) have migrated steadily to the Joint Forces Command (JFCOM), which now has primary responsibility for joint training, exercises and experimentation. Its remaining responsibilities could easily be merged into other offices. Deliberate planning in the regional commands is done by their J-5s; this function should be done by J-5 at headquarters as well, if only to enhance parallelism. This migration would reduce some duplication on the Joint Staff itself, since it now has regional offices in J-3, J-5 and J-7. Responsibility for transformation could be passed to J-8.

In addition, none of the Military Services use their headquarters staff for writing doctrine; they either have commands or doctrine centers. Responsibility for joint doctrine should therefore move to a Joint Doctrine Center; responsibility for it and joint education should pass from J-7 to the Joint Forces Command. This shift would probably require legislative relief (since Joint Doctrine is a responsibility of the Chairman) and JFCOM would have to be resourced for its new responsibilities.

An organization establishes focus by deciding what it is going to do and what it is not going to do. A Joint Staff that is focused on its most important substantive areas – namely, the issues addressed by J-2, J-3, J-5 and J-8 – will be even more effective, thus enhancing their already considerable clout in the competition of ideas.

The **Office of the Secretary of Defense** currently consists of 34 major offices, with 16 offices reporting directly to the Secretary (that is, “direct reports”) and about 2100 authorized staff. How many personnel actually work for OSD is difficult to determine because of the many field operating agencies, FFRDCs (federally funded R&D centers), and contractors that support OSD. Nonetheless, virtually all of the practitioners consulted by the BG-N study team agree that OSD should focus on policy formation, representation and oversight, and should avoid program management. Our analysis adheres to this axiom notwithstanding, as one former Secretary of Defense noted, that OSD’s impulse to manage is nearly impossible to resist when things are being managed badly and the Secretary is being held accountable.

- ***Focus OSD on policy formation and oversight, elevate its focus on C3, and consolidate housekeeping functions under an Assistant Secretary.***

The BG-N study team initially favored reducing the number of direct reports to the Secretary of Defense because an excessively broad span of control dilutes his authority and accountability. We developed a number of options for streamlining the direct reports that former senior defense officials argued strongly against – for example, an analog to what exists in the Department of State, where an Under Secretary for Management has Public Affairs, Legislative Affairs, General Counsel, the Inspector General, the Executive Secretary and Administration in his portfolio. Similarly, many observers believe that the Secretary, as the chief executive officer (CEO) of DoD, needs a Deputy who functions as the chief operating officer (COO) and “runs the building.” Others believed that the Secretary and Deputy Secretary needed a chief of staff who had directive authority over the Under Secretaries. The Secretary also has a set of offices that report directly to him and support him as he relates to the world outside of DoD. It is widely felt that no independent study of organizational structure can or should supercede the Secretary’s right to organize his operations in the way he feels best support his obligations.

Consequently, the BG-N slate of recommendations for the Office of the Secretary of Defense is quite modest in scope. OSD should retain the Under Secretaries for Policy, Comptroller, Acquisition, and Personnel and Readiness. This structure maintains OSD’s functional focus on ideas, dollars, things and people. To create more headroom at the senior level for top-flight career professionals, OSD should return to the practice in the 1950s of appointing permanent civil servants as the Principal Deputies (this proposal will be addressed further in Chapter 7). Finally, we recommend that all OSD housekeeping functions be consolidated into one portfolio under an Assistant Secretary of Defense for Administration. Consolidating the Washington Headquarters Service (currently a field operating agency) and the Executive Secretariat will give the Secretary greater control over OSD mechanics.

Given the importance of C3 in Information Age net-centric warfare, this function needs greater organizational status and capability in OSD. A stand-alone Assistant Secretary of Defense for Networks and Information Integration (NII) will lack sufficient weight in the resource allocation process. Our recommendation to merge elements of J-6 and DISA into a JTF for Joint C2 would establish the Secretary’s operational arm for department-wide procurement of C2 systems. Staff oversight of this critical function should not be provided by a third-tier office. The BG-N study team, therefore, recommends that the C3 function be elevated to the Under Secretary level and be combined again with Intelligence, creating an Under Secretary for C3I. We had considered creating a separate Under Secretary for C3 but this would have created three more “fault lines” – with USD(I), USD(P) and USD(AT&L), respectively – in addition to those that already exist between Intelligence, Policy and Acquisition. Most of the high-level former officials we consulted strongly favored re-integrating C3 with Intelligence at the Under Secretary level.

The BG-N study team further recommends that the offices of Public Affairs, Legislative Affairs, General Counsel, Inspector General, PA&E, Net Assessment and Force Transformation should remain direct reports to the Secretary of Defense. This determination is based on a number of considerations. First, PA, LA and GC provide personal advice on how the Secretary handles critical functions and are frequently staffed by the Secretary's closest advisors. Second, Congress has chartered the IG as a direct report to the Secretary. (The case for PA&E as a direct report will be made in Chapter 5.) Third, the impact of the future-oriented Office of Net Assessments has always depended on the relationship between the Secretary and the current (and thus far only) Director, Andrew Marshall. Fourth, establishing the Office of Force Transformation demonstrated the priority that Secretary Rumsfeld attached to defense transformation.

More generally, the Secretary should always have the option of empowering someone to advance a prized initiative. Over time, the Secretary might consider combining the responsibilities of the Principal Deputy Undersecretary of Defense for Policy, who currently supports the Secretary directly on strategic issues, and the Directors of Net Assessments and Force Transformation into a single Director of Strategic Planning who reports directly to him. While combining these three offices might improve the coherency of the strategic planning function, it would also reduce the diversity of perspectives on strategic issues. Given the special responsibility of the Secretary of Defense for DoD's future, each Secretary will ultimately decide for himself how he wants this function performed.

Perhaps surprisingly, the BG-N recommendations for streamlining OSD fall quite short of those recommended for the Joint Staff and the Military Departments, even though many observers would rank OSD as the poorest performer of the three headquarters staffs. This suggests that the problems that have caused the perceived lack of OSD effectiveness are most likely not organizational in nature. This issue will be addressed further in Chapter 7.

## **Conclusion**

Merging much of the Service Secretariats into the Service Staffs should improve coherency and unity of effort in the Military Departments. It should also empower the Service Chiefs in their role as CEOs for the Military Services. Integrating civilian and military staffs in the personnel and logistics functions should provide more robust support to the Secretary and Chairman and reduce unnecessary organizational friction in these areas. Retaining J-2, J-3, J-5 and J-8 will enable the Chairman to fulfill his role as the principal military advisor to the National Command Authority. Finally, focusing OSD on policy formation and oversight, not program management, should ensure that OSD does not take on responsibilities for which it is ill-suited.

## Chapter 5

### **Toward a More Effective Resource Allocation Process**

Many critics call the Defense Department's resource allocation process "The Pentagon's real wars." Deciding who gets what, and then making that decision stick, is perhaps the Secretary's most formidable challenge. Notwithstanding the contests of will that remain a fixture of this annual process, our approach to improving it never strayed from the guiding principle that resources should be organized, managed and budgeted along Service lines. Upholding this principle necessitates an elaborate structure to ensure that the Services follow the Secretary's policy directives and build a collective defense program that balances across the largest organization in the world. Reality dictates that any such system is going to be elaborate, complicated and, at times, inefficient.

There is another reality that to a great extent imposes its will on the entire budgeting process and which, at least to some extent, stifles further innovation: DoD needs to get money each and every year from the Congress. DoD has developed highly elaborate systems and methods toward that end. As one former senior defense official commented in a BG-N meeting, "DoD has two core competencies – winning wars and getting money from Congress." We should recognize, therefore, that not all shortfalls in the process are self-inflicted.

That said, as evidenced by Secretary Rumsfeld's early difficulties during his "top-to-bottom strategic review" and the 2001 Quadrennial Defense Review (QDR), Defense Secretaries find it extremely difficult to make tough trade-off decisions between the Military Services and military functions. Despite the laudable intent of the Pentagon's Planning-Programming-Budgeting-Execution System (PPBE), budgeting decisions are dominated by factors other than strategy and planning. The lack of discipline in the resource allocation process causes chronic program instability and encourages budgetary gamesmanship – the resources required to execute DoD programs exceed available funds by at least 25 percent.<sup>13</sup>

Although OSD (and the Military Services) attempt to provide front-end planning guidance, the Services build the first budgetary documents when they turn their Program Objective Memorandums (POMs) into OSD. As a result, there is weak advocacy of the joint perspective in this Service-centric process, as Service-prepared budgets, not surprisingly, reflect Service priorities. The process of allocating resources that are insufficient to meet the demand require Herculean efforts by all involved to avert the annual "train wreck" as the Pentagon scrambles to prepare the President's budget request to Congress. Few strategic decisions are made during the frenzied end game to make the fiscal "bogey" that sets the "top line" for the defense budget. The entire process consumes so much time and resources that little attention is paid to policy implementation and program execution.

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<sup>13</sup> The Aldridge task force, which Secretary Rumsfeld commissioned to examine how DoD develops, resources, and provides joint capabilities, estimated that fully funding recent Defense Planning Guidances would have required between 1.3 and 1.8 times the funds available.

Defense Secretary Robert McNamara installed PPBS in the early 1960s, as he combined successful business practices of the 1950s with theories of government management developed at the RAND Corporation and leading business schools. Although its critics are legion – for example, Secretary Rumsfeld on his return to DoD dismissed PPBS as “an antique, and it works poorly”<sup>14</sup> – recent administrations, including the current one, have decided upon close examination that there is no practical alternative to PPBS and have focused upon improving it. PPBS has serious downsides. It rewards incrementalism, consumes enormous resources and often locks the Secretary into narrow channels for making his biggest decisions. But it does provide an integrating process across the Defense Department, and it does produce decisions. In short, the system works.

Secretary Rumsfeld’s efforts to reform the re-named PPBE system have been more ambitious than most. This chapter describes the changes currently being made to the resource allocation process, assesses the likely impact of recent reforms and recommends ways to build on them.

### **Rumsfeld Era Changes**

In May 2003, DoD adopted a two-year budget (for FY04-09), although budget submissions to Congress will still be made annually. Specifically, the Military Services and Defense Agencies would not submit POMs or Budget Estimate Submissions (BESs) for FY05-9, but will submit changes to the baseline established by the President’s FY 2004 Budget Submission Future-Years Defense Program (FYDP). This “off-year” update would be carried out by Program Change Proposals (PCPs) for “real world changes” exceeding \$250M across the FYDP, and Budget Change Proposals (BCPs) for “fact-of-life” changes (e.g., cost increases, schedule delays, management reform savings, workload changes, etc.) as well as changes resulting from Congressional action.

In another departure from past practice, the Comptroller and PA&E, after merging their data collection and management processes into a single “program-and-budget system,” would conduct their program review and budget reviews simultaneously, rather than sequentially. One of the purposes of moving to an internal two-year budget and a simultaneous program and budget review is to free up time to assess whether DoD achieved its planned performance goals. Although Execution was added to PPBS in May 2003, as DoD went from PPBS to the PPBE system, it was not until 31 October 2003 that Mr. Ken Krieg (Director of PA&E), Dr. Dov Zakheim (Under Secretary (Comptroller)), Lt Gen James “Hoss” Cartwright (Director of J-8) and Mr. Ryan Henry (Principal Deputy Under Secretary for Policy or PDUSD(P)) were tasked as “Co-Leads” to develop “an annual review of how well program implementation and budget execution are meeting identified joint warfighting needs.”

On June 24, 2003, the Chairman of the Joint Chiefs of Staff approved the policies and procedures for the Joint Capabilities Integration and Development System (JCIDS)

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<sup>14</sup> Transcript of Remarks by U.S. Secretary of Defense Donald H. Rumsfeld, Town Hall Meeting with Troops at Scott Air Force Base, Illinois, April 18, 2002.

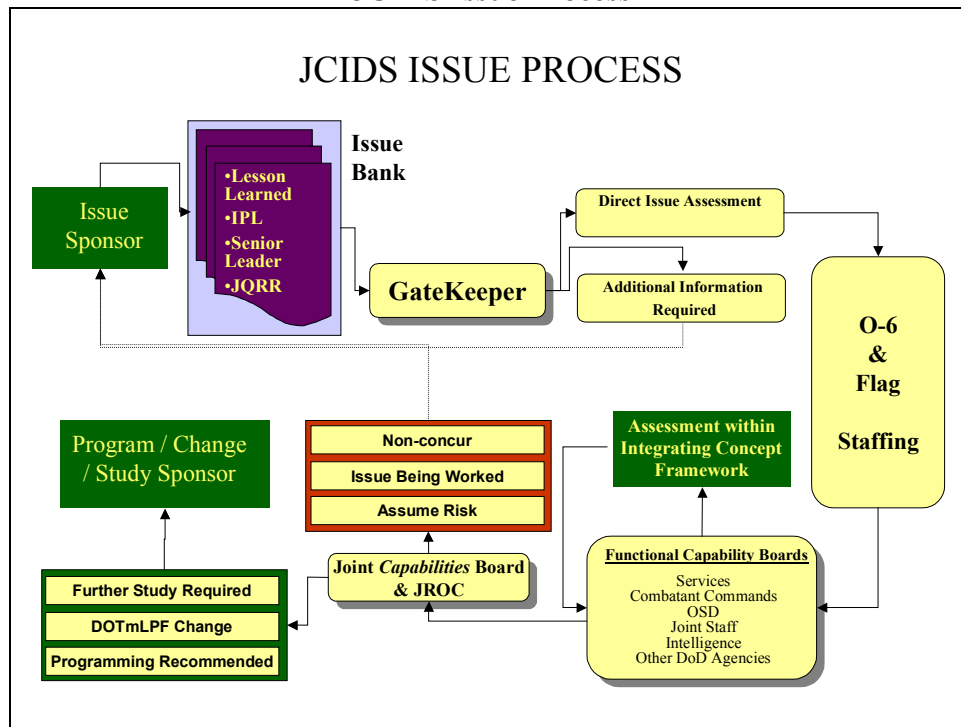
that would identify, assess and prioritize joint military capability needs. Intended to replace the Service-centric requirements generation process with a joint, capabilities-based approach, JCIDS established both new institutions and new documents:

- *Functional Capabilities Boards (FCBs)*. The Joint Warfighting Capability Assessment (JWCA) teams were replaced by O-7-led FCBs that would review Service-proposed functional needs analysis (that replaced the old Mission Needs Statement) and Initial Capability Documents (that replaced the Operational Requirements Documents) to ensure compliance with the series of JCIDS documents (see below) and to make recommendations to the Joint Requirements Board or JRB (the J-8-chaired body of flag and general officers from the Services with requirements-generation responsibilities) and the Joint Requirements Oversight Council (the VCJCS-chaired body consisting of the second-ranking officers of the Military Services).
- *Joint Operations Concept (JOpsC)*. As the foundation of this new capabilities-based approach, the Joint Staff prepared a JOpsC, approved by the Secretary in November 2003, that will serve as the inspiration for a series of Joint Operating Concepts (four, including homeland security, major combat operations, stability operations and strategic defense, have been tasked), Joint Functional Concepts, Enabling Concepts, and Integrated Architectures that, in turn, will be synthesized into a JROC-approved, prioritized list of capability needs and recommended DOTMLPF (doctrine, organization, training, material, leadership and education, personnel and facilities) changes.

Many, including some at CSIS, were skeptical of the new Joint Staff approach to defining joint capability needs. The FCBs appeared to be another “multi-Service” office (like the JRB and JROC) that would add another layer of review and still enable a Service-centric perspective to prevail through the consensual, logrolling nature that often characterizes Joint Staff decision-making. Moreover, the draft JOpsC, with its broad statement of how the Future Joint Force will achieve Full Spectrum Dominance and its expansive list of the attributes of the future force, suggested that the hierarchy of JOpsC-inspired documents would never achieve the level of granularity necessary to assess whether a Service-backed solution addressed the capability gap.

As illustrated in the chart on the JCIDS Issue Process (provided to the BG-N

**Figure 1**  
**JCIDS Issue Process**



study team in February 2003), the process has both matured and become much more ambitious. The Functional Capability Boards are now “departmental” bodies with DoD-wide representation. FCBs for Force Application, Force Protection, Focused Logistics and Battlespace Awareness already have been established. FCBs for Command and Control and Net-Centric Warfare are under development. The FCBs will now anchor a process that covers all sources of inputs about capability needs into DoD actions. In recognition that the JOpsC and its derivative 2<sup>nd</sup>-tier concepts, the Joint Operating and Joint Functional Concepts, would not be specific enough to provide assessment criteria, the FCBs will use a set of 3<sup>rd</sup>-tier “integrating concepts,” formerly known as “enabling concepts,” as the basis of their review. Although the integrating concepts for undersea superiority and joint forcible entry operations (JFEO) are nearing completion, most of the twenty-plus integrating concepts have yet to be written. The Functional Capability Boards, however, already are being used to process the Integrated Priority Lists (IPLs) submitted by the Combatant Commanders.

On October 27, 2003, the Secretary approved a “streamlined and refocused Integrated Priority List process” that calls on the CoComs to identify potential capability shortfalls to carry out responsibilities identified in the Contingency Planning Guidance, Security Cooperation Guidance or Defense Planning Guidance. Although Secretary Rumsfeld offered the CoComs the opportunity to brief the Secretary and the Chairman on their IPL submissions, the IPLs were reviewed by J-8 in their “gate keeping” role (see



chart on the JCIDS issue process) and are, as of February 2004, being vetted by the FCBs for incorporation into the Joint Programming Guidance for FY 2006-2011.

On October 31, 2003, the Secretary signed a memorandum, entitled the “Initiation of a Joint Capabilities Development Process,” that partially implemented the Aldridge study recommendations. Most notably, the Defense Planning Guidance (DPG) was replaced by two documents:

- *The Strategic Planning Guidance (SPG)*. This is a single, “fiscally-informed document that will replace the policy/strategy sections” of the DPG. Originally scheduled for December 2003, the SPG was reviewed in late January 2004 by the newly formed Strategic Planning Council (see below) and was slated to be published in February.
- *The Joint Programming Guidance (JPG)*. This is a “fiscally constrained” document (due in the Spring) that would replace the programming elements of the DPG and “will record the decisions reached in the enhanced planning process.” The JPG also will “include a demonstration that the totality of the programmatic guidance provided in the SPG and JPG is fiscally executable.”

In this “simplified resourcing process,” “programs and budgets are developed [by the Services and defense agencies] in response to the JPG and are reviewed for compliance with it.”

To initiate the “enhanced planning process” (EPP), the PDUSD(P), “in conjunction with” the Directors of PA&E and J-8 and “in consultation” with the membership of the Senior Leadership Review Group (SLRG), should develop a list of candidate major issues for an “enhanced, collaborative joint planning process” that will result “in decisions on major issues and metrics and measures of sufficiency for other elements of the Defense Program.” In late November 2003, the SLRG discussed an initial set of 8 issues and formed respective issue teams. In this initial run of the EPP, there reportedly will be some flexibility about which issues are actually brought before the Secretary of Defense.

In a final move, Secretary Rumsfeld also formed a Strategic Planning Council (SPC), chaired by the SecDef, which includes the SLRG principals and the Combatant Commanders. The new SPC is designed to meet several times a year to review the SPG, JPG and the annual execution review. It met for the first time in late January on the heels of the Combatant Commander’s Conference. The Secretary of Defense attended the inaugural SPC meeting, which, among other things, discussed the draft SPG and a newly drafted defense strategy. Participants thought the first meeting of the SPC went well, although the IPLs received little attention.

### Assessment of Rumsfeld Era Changes

The fast pace at which Secretary Rumsfeld and his team have introduced changes into the resource allocation process during 2003 has surprised many observers.<sup>15</sup> In our view, these recent changes are clearly steps in the right direction, although it is too early to reach final judgment. Of particular importance, we believe, are the following developments:

- *The Enhanced Planning Process.* The most important products of any planning process are decisions by the senior leadership on the strategic choices facing the organization. Identifying the major issues, ensuring a competition of ideas from multiple perspectives, making a decision and then implementing that decision are major challenges for any CEO, much less the SecDef who operates in an extremely difficult political context. The EPP sets up a process for making major decisions whose results are enforced by the JPG. If it happens, this would constitute a significant breakthrough. However, it will be critical to harmonize issues addressed in the enhanced planning process (EPP) and the JCIDS process.
- *The FCB-anchored JCIDS Issue Process.* The weak advocacy of the joint perspective during the resource allocation process has allowed a Service-centric requirements generation process to dominate DoD decisions about which capabilities to buy. If the Joint Staff can build a set of joint integrating concepts “with teeth” (that is, enough specificity about the key performance parameters that define the capability) and the department-level FCBs actually apply those standards in passing on Service submissions, this too would be a breakthrough.
- *A Stronger Role for the Combatant Commanders.* Attempting to reinvigorate the IPL process and creating a Strategic Planning Council are important developments. The August 2003 Defense Science Board (DSB) study on “Enabling Joint Force Capabilities” stated: “The business of the combatant commands is the Department’s core business and the inability to relate resource allocations to its core business should be regarded as a fundamental failure in how DoD understands its own business.”

There is nothing simpler about the amended PPBS system – a goal of the Aldridge study and one that the BG-N study team applauds – but it does have the potential to strengthen both the strategic direction and the joint perspective in the resource allocation process, provided, of course, that changes work as intended.

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<sup>15</sup> It was in part the desultory efforts at reforming PPBS during 2001 and 2002 that led CSIS to address this issue during Phase 1 of Beyond Goldwater-Nichols. Given the magnitude of recent changes, it might have been better to assess them during Phase 2 after more time had elapsed. As it is, CSIS will return to this issue in its BG-N Phase 2 report, tentatively scheduled for February 2005.

However, the BG-N study team does have implementation concerns. Most how-to books on organizational change underscore the importance of identifying a person or an office and supplying the resources necessary to make change happen. In this case, the Secretary established three or four “co-leads” for the major process changes. Often, a co-lead means there is no lead. In this instance, the close relationship between Mr. Krieg, Lt Gen Cartwright and Mr. Henry seems to have paid dividends, particularly with respect to the evolution of the FCBs as department level bodies and their integration into the EPP. But there is the attendant risk of building new processes around individual personalities rather than institutions.

The BG-N study team also is concerned about whether the key institutions – the Combatant Commanders, J-8 and PA&E – have the capacity to play stronger roles. For example, many of the regional CoComs do not even have their own J-8s, relying instead on small offices in their J-5s, and these offices are supposed to do rigorous capability gap analysis. Similarly, J-8 in Washington already is stretched pretty thin, yet needs to produce the key set of joint integrating concepts. The October 31, 2003 SecDef memo stated: “Although some organizational changes may ultimately be needed to optimize the new process, its initial implementation will be carried forward by existing organizations.” This may be a mistake. New organizational capacities may be critical at the very beginning to overcome bureaucratic resistance. Empowering new actors (such as the CoComs) with new responsibilities but without new resources can be an empty mandate.

While the intent to make strategic choices early in the PPBE process laudably adheres to most critiques of DoD’s resource allocation process (including the Defense Science Board’s August 2003 study on *Enabling Joint Capabilities*), it flies in the face of the political reality that the Secretary of Defense is simultaneously engaged in three processes – planning for the next POM-Budget submission, defending next year’s budget request in Congress and executing the current budget. The oft-cited aphorism “Make no decision before its time” reflects the natural tendency for senior defense officials to wait until after Congress has passed the budget for the fiscal year beginning in October – which, with continuing resolutions, can often take several more weeks, if not months – before taking major decisions about the budget request that goes to Congress in February.

It is not simply the lack of intestinal fortitude that prevents Secretaries from making tough decisions in the planning process (although that is sometimes the case) – there are sound political reasons for not doing so. Making strategic decisions early on in the EPP and then implementing them during the budgeting cycle via the Joint Programming Guidance is rational from an organizational perspective. But making and incorporating those decisions in a JPG that is published in the spring for a fiscal year that begins 16-17 months away, at the same time that Congress is considering the budget for a year that begins in four to five months, is not rational from a political perspective.

Finally, the BG-N study team is concerned that DoD’s ostensible focus on policy implementation and execution review has been lost. The May 2003 move to a two-year budget was supposed to free up time for execution review, as PPBS became the PPBE system. Not surprisingly, the effort associated with making all the changes enumerated

above appears to have pushed execution aside. Longer-term plans envision publishing an annual Performance Assessment Report that is reviewed by the Strategic Planning Council and published in January as part of the Annual Defense Report. This timing for execution review poses a likely conflict between the budgeting end game (which consumes the Pentagon in the October-December time frame) and the Extended Planning Process (which begins in November and must be completed before the JPG is issued in the spring).

## Recommendations

The BG-N study team supports the substantial effort Secretary Rumsfeld has made to enhance strategic direction and the building of joint capabilities in the resource allocation process. The changes made during 2003 have considerable promise, but more, we believe, is necessary for them to be implemented fully. As a consequence, we recommend the following:

- ***Build capacities in the Combatant Commands for a stronger role in the resource allocation process.***

Revitalizing the IPL process must include stronger IPLs from the Combatant Commands. If there is any area where the voice of the Combatant Commands should dominate, it is in defining the short-term capability gaps the CoComs experience in conducting today's missions. The JCIDS Issue Process provides a forum, but it requires analytically rigorous, capability gap analysis to prevail. Establishing the performance metrics of the capabilities needed for a particular mission requires experienced analysts. The CoComs need stronger J-8s to compete in this arena.

While the regional Combatant Commanders are focused on the short term and could play a useful role in identifying and advocating short-term capability shortfalls, the other commands have enterprise-wide responsibilities and need to play a larger role in addressing longer-term capability requirements. Special Operations Command (SOCOM), TRANSCOM, Strategic Command (STRATCOM) and JFCOM all have Service-like responsibilities and should be advocates for the capabilities they believe their successors will need ten to fifteen years in the future. TRANSCOM, for example, has been made the "distribution process owner" for managing the entire supply chain. STRATCOM has responsibility for both Global C4ISR and the Global Strike mission. To be effective advocates for their perspective on long-term capability needs in a Pentagon-centric resource allocation process, the CoComs with enterprise-wide responsibilities may need a 3-star representative based in Washington. The CoComs, for example, have a standing invitation to attend any meeting of the JROC. On an experimental basis, perhaps JFCOM and STRATCOM could be added to the JROC as statutory members and become members of the SLRG when it addresses resource allocation matters.

- ***Build a strong Office of Program Analysis and Evaluation capable of providing independent analysis to the Secretary on broad strategic choices facing DoD.***

Over the past two decades, PA&E has focused on scrubbing individual programs rather than engaging in broader mission-area analysis. Although there are indications that PA&E is starting to move in this direction as part of the Enhanced Planning Process, the Secretary needs a robust and independent analytic capability for addressing major strategic issues, if only to hedge against those occasions when there is too little jointness in the options generated for him by the Military Services and the Joint Staff. PA&E, in addition to the EPP major issue process, should conduct annually a zero-based analysis, including rigorous risk assessments, of two to three joint capability areas that would identify joint capability shortfalls and provide options for decision by the Secretary.

- ***Create an independent, continuous policy implementation/execution review process that is tied directly to the Secretary of Defense.***

Our concern that policy implementation and program execution are not receiving the attention they deserve is buttressed by our conviction that a year-end review is not sufficient in any case. Too often, as seemed to be the case with reporting to comply with the Government Performance and Results Act (GPRA), the reporting becomes a means of justifying DoD performance, rather than assessing it. As onerous as the process is, DoD is much better at allocating resources than ensuring that the resources are spent in the manner they are intended.

The Secretary needs a means for determining how well current policy is being implemented or current programs are being executed. We believe he needs an Office of Implementation & Execution Review (I&ER) that could be housed in the Comptroller's office. This office would function as the executive secretary for SecDef bimonthly meetings of the SLRG that would receive reports from D/I&ER on real-time implementation and execution and responses from the relevant offices. While this would involve an IG-like confrontation between the Secretary and the offices implementing his policy direction, it would provide the Secretary with a mechanism to ensure accountability and a means for organizational learning. It would put teeth into performance-based management and move beyond annual GPRA reports.

This office also would be responsible for gathering all authoritative and directive guidance (from the JPG, joint-capability area assessments, EPP, individual SecDef decisions, etc.) to establish a single, unified statement of the strategies, policies and programs to be followed, implemented and executed. This would provide a clear standard to which all offices would be held accountable.

## **Conclusion**

Secretary Rumsfeld has moved aggressively during 2003 to improve the advocacy of joint capability needs in the resource allocation process. The BG-N study team supports his reform efforts, but believes that the prospects for success would be enhanced

if new capacities, particularly in the Combatant Commands, were added to new responsibilities. Moreover, a more robust and proactive PA&E could substantially increase the number of options available to the Secretary for addressing short- and long-term capabilities gaps. Finally, we believe that the Secretary should move more aggressively to strengthen policy implementation and execution review processes in DoD.

## Chapter 6

### **Procuring Joint Capabilities**

The Department of Defense has been struggling with the tension between preserving the institutional vitality of the Military Services and the need to extend and broaden jointness ever since the National Security Act of 1947 created the “national military establishment.” With respect to the planning and conduct of military operations, Congress resolved this tension in favor of jointness when Goldwater-Nichols gave combatant command authorities to the Combatant Commander and made him the senior ranking military officer in the chain of command. The U.S. military now fights as a joint team.

Although the Military Services retain the Title 10 responsibilities to organize, train and equip, the fact that the U.S. military fights jointly has led to an evolution of jointness in all three of these Title 10 areas. There are now over 35 joint task forces, a state of affairs never envisioned by Goldwater-Nichols. The Military Services are straining to fill these joint assignments, as joint task force headquarters are deploying to Iraq with only 65-70 percent of the billets filled that have been validated by the joint manning documents. The BG-N study team will address this issue in BG-N Phase 2. Although the recent pace of military operations has affected training, U.S. forces continue to perform superbly in the field. Any “shortcomings” in joint training have clearly not resulted in the kinds of operational failures that led to Goldwater-Nichols.

In the equip function, however, the Department of Defense continues to struggle with insufficient jointness. Lessons learned from Operations Enduring Freedom (OEF) in Afghanistan and Iraqi Freedom (OIF) in Iraq underscore interoperability shortcomings in equipment fielded by the Military Services. Of particular importance was the lack of standardized combat identification among the Services, a capability necessary to prevent fratricide. This was particularly acute among most aircrews as they lacked electronic data links with friendly ground combat vehicles.<sup>16</sup> Cumbersome deployment planning and execution equipment systems also failed to operate well together. Insufficient information sharing and communications failures were also attributable to interoperability shortfalls.<sup>17</sup> These interoperability problems did not result in significant operational failures, in large part due to the great initiative demonstrated by the joint team in developing workarounds. It is also clear that attention paid to air-ground coordination failures in OEF paid handsome dividends during OIF.

This enduring lack of jointness in how DoD procures weapons has both raised the cost of military operations (e.g., persistent interoperability problems cause friendly fire casualties) and constrained the growth of U.S. military capabilities (e.g., Services invest too much in duplicative capabilities and too little in Low Density / High Demand assets). The United States may be able to afford these capability losses against adversaries like the Taliban and Hussein regime, but not against the full range of 21<sup>st</sup> century challenges.

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<sup>16</sup> Sandra I. Erwin, “Close Air Support Tactics Sharpened in Iraq,” *National Defense* (June 03).

<sup>17</sup> General Tommy Franks, Prepared Testimony before House Armed Services Committee, July 10, 2003.

## **Recent Reform Efforts**

The extensive efforts by Secretary Rumsfeld to strengthen the advocacy of joint capabilities in the resource allocation process have been described and assessed in the previous chapter. By pursuing this avenue, the Secretary has implicitly decided that resources should still be organized and managed along Service lines, a guiding principle for the BG-N study team. The Military Services remain the best venue for balanced and integrated planning and should retain the primary role in defense procurement.

Repeated failures over the past decade to develop common, interoperable C2 for joint operations, however, led the Secretary to make an exception to the general rule. In Management Initiative Decision (MID) 912, the Secretary assigned responsibility to the Joint Forces Command to improve the integration and interoperability of C2 systems. MID 912 provided JFCOM the authority to review and approve all Joint Battle Management Command and Control (JBMC2) requirements and system-of-systems capability requirements to ensure integration and interoperability of these capabilities prior to entering the acquisition process.<sup>18</sup>

In this role, JFCOM leads JBMC2 mission and capability area requirements to include: concepts, integrated architectures, systems interoperability and integration efforts, training and experimentation to guide future systems acquisitions.<sup>19</sup> JFCOM also serves as the joint force trainer, integrator and executive agent for experimentation to help inform the development of these requirements. Finally, JFCOM established a JBMC2 Board, with representation from the Combatant Commands, the Military Services and the Joint Staff, to help it exercise its new authorities. JFCOM also sought and received “limited acquisition authority” to field discrete command and control capabilities to the Combatant Commanders themselves.

## **Assessment**

The BG-N study team does not believe the MID 912 approach will work. In essence, JFCOM is following the same strategy – design an operational architecture, set interoperability standards and rely upon a steering committee consisting of general officers representing all of the stakeholders – that has been tried several times but has failed. The office of the person responsible, namely JFCOM, is new, but the approach is not. One JFCOM officer told the BG-N study team: “We are working hard on the symptoms of a completely dysfunctional problem.” JFCOM estimated (in early 2004) that it would take about two years to develop and gain agreement on a JBMC2 operational architecture and the supporting interoperability standards. The OIF Lessons Learned study identified the lack of a common, interoperable C2 system as one of the

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<sup>18</sup> Admiral Giambastiani, USN, CDR JFCOM, Testimony before SASC, 14 March, 2003

<sup>19</sup> Brigadier General Marc Rogers, USAF, Testimony before HASC, 21 October 2003.



most critical capability shortfalls. Waiting two years to see if JFCOM, unlike its predecessors, can build one from the ground up by consensus makes little sense.<sup>20</sup>

In an age of global communications, providing joint, interoperable C2 is an enterprise-wide challenge. In this area, organizing and managing resources along Service lines has not achieved real interoperability in joint C2. Trying to build it from the “outside in” has led the Services, understandably, to give top priority to the “edges” where their systems operate, rather than the “center,” where all of the Service-provided capabilities must operate together. DoD has tried to bridge the interoperability gaps by establishing standards and protocols but U.S. forces in the field, as seen in OEF and OIF, still have to improvise and build workarounds. In making an exception to its principle that resources should be managed along Service lines, the BG-N study team now believe that the fundamental problem – the lack of joint, interoperable C2 – cannot be solved unless it is addressed directly.

### **Recommendation**

- ***Convert the J-6 into the core of a department-wide, joint task force (with budgetary and acquisition authority) for Joint C2***

As DoD has done for special forces and missile defense, responsibility (and the associated Program Elements or PEs) should pass from the Military Services to the new joint C2 task force. This military task force should be headed by a 3-star, namely the billet now held by J-6, to ensure sufficient organizational heft, and could be augmented by appropriate elements from DISA as determined by the Secretary of Defense upon the recommendation for the CJCS.

The BG-N study team recognizes that it will be difficult to draw the boundary between the “core” C2 functions that will be the responsibility of the new joint C2 task force and the C2 interfaces and applications that will remain the responsibilities of the Military Services. Notwithstanding these definitional problems, the BG-N study team believes that true interoperability in Joint C2 will not be achieved until it is bought jointly. The new Under Secretary for C3I should provide policy oversight and advocacy in the Washington-centric resource allocation process. As discussed in Chapter 4, the responsibility for operational planning for C4 could be assigned to a deputy J-3 for C4.

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<sup>20</sup> By assigning C2 to JFCOM but not Communications and Computers (the other two elements of C4), MID 912 may have created a new “seam” in the JS-centric JCIDS process. Currently, there are separate Functional Capability Boards for C2 and Net Centric, with the latter being described as the communication links that tie all of the capabilities boards together. Enabling effective command and control is the prime (although not only) requirement for any military communications system and is usually addressed as an integrated whole, namely C3. Creating separate FCBs for C2 and the “other C2” (Communications and Computers, aka “Net Centric”) reflects the organizational structure created by MID 912, but creates a seam between command and control and the communications systems that enable it.

## **Conclusion**

Interoperable C2 is critical for the effective functioning of Joint Task Force headquarters. As seen most recently in Operations Enduring Freedom and Iraqi Freedom, the Military Services have made great strides in their ability to communicate with each other in the field. During the first Gulf War, for example, the Air Force had to transport physically the daily air tasking order to the Navy carriers. That degree of non-interoperability is a thing of the past. Members of the joint team have demonstrated great ingenuity in developing workarounds to overcome the failure of C2 systems to talk to each other. In an era of effects-based operations, however, this energy and initiative should be applied to the objectives being sought by military operations, not simply to making the operations happen. In order for interoperable joint C2 to be “born joint,” it appears it must be procured jointly.

## Chapter 7

**Strengthening Civilian Professionals in Defense and National Security**

Over the last two decades, numerous task forces, commissions, and study groups have sounded a clarion call to significantly reform, if not completely reshape, the U.S. civilian personnel system, be it in DoD, State, the intelligence agencies, or across the U.S. government as a whole.<sup>21</sup> Perhaps none has been more blunt in its assessment of the shortfalls associated with the federal government's human resource management than the U.S. Commission on National Security/21<sup>st</sup> Century (commonly referred to as the "Hart-Rudman Commission"), which declared in 2001 that, "[a]s it enters the 21<sup>st</sup> century, the United States finds itself on the brink of an unprecedented crisis of competence in government."<sup>22</sup> Others have echoed this sense of urgency, particularly with regard to DoD's sclerotic and outdated human resources system. Without fundamental reform, it has been argued, the "quality of DoD's workforce is at stake, and that quality is one of the pillars of civilian control of the military."<sup>23</sup> Although the extent of the problem and the stakes for the nation are enormous, this looming crisis is largely unrecognized outside the Pentagon, so these calls for change have largely fallen on deaf ears.

This critical issue could not be ignored in a study that aims to define priority areas for defense reform. Therefore, this chapter focuses, first and foremost, on the question of how to strengthen the civilian career professionals in DoD. How can the Department of Defense recruit the best and brightest civilians into its ranks, provide them with the incentives necessary to spend much of their careers in public service, and give them the professional development opportunities they need to support the Secretary of Defense in providing civilian stewardship of the U.S. military and making effective use of the armed forces in support of U.S. national security policies?

This chapter also touches on the larger issue of how to create greater "jointness" at the interagency level. How can we ensure that civilian professionals across the national security agencies have the skills they need to integrate all of the instruments of national power into effective national security strategies, policies, plans and operations;

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<sup>21</sup> A sample of the recent literature on civilian resource management includes the following:

- (i) U.S. Commission on National Security/21<sup>st</sup> Century, *Roadmap for National Security: Imperative for Change*, Phase III Report (February 2001);
- (ii) Defense Science Board Task Force, *Human Resources Strategy* (February 2000);
- (iii) The National Commission on the Public Service, *Urgent Business for America: Revitalizing the Federal Government for the 21<sup>st</sup> Century* (January 2003)
- (iv) GAO Report, *Senior Executive Service: Enhanced Agency Efforts Needed to Improve Diversity as the Senior Corps Turns Over* (October 2003);
- (v) GAO Report, *DoD Personnel: DoD Actions Needed to Strengthen Civilian Human Capital Strategic Planning and Integration with Military Personnel and Sourcing Decisions* (March 2003); and
- (vi) GAO Report, *Human Capital: DoD's Civilian Personnel Strategic Management and the Proposed National Security Personnel System* (May 2003).

<sup>22</sup> U.S. Commission on National Security/21<sup>st</sup> Century, *Roadmap for National Security: Imperative for Change*, Phase III Report (February 15, 2001), p. xiv.

<sup>23</sup> Ensuring Quality People in Defense, David S.C. Chu and John P. White, in *Keeping the Edge: Managing Defense for the Future*, Perry, William and Carter, Ashton B., eds. (Boston: MIT Press, May 2001).

adapt to a highly uncertain and rapidly changing security environment; and operate effectively not only in their home agencies but also in the interagency and international contexts?

### **Recruiting the Best and Brightest**

Since the end of the Cold War, the Department of Defense has fallen on tough times in its ability to attract top-level talent to the career civil service. The problem stems from multiple sources: competition from private sector opportunities with often superior pay and fewer bureaucratic frustrations; complex and rigid hiring and security clearance procedures that can take months to complete; perceptions of government as a plodding bureaucracy where young talent lies fallow; and a changing labor market that increasingly views the notion of a single-employer career as undesirable and anachronistic. Though many young Americans have felt called to public service by the events of September 11 and the war on terrorism, they still confront a government hiring process that is frustrating at best. And once in government, they often complain of encrusted systems, needless hierarchy, and few opportunities for advancement to senior positions.

The numbers, especially when compared to 1989, paint an alarming picture. When the Cold War ended, the Department of Defense began a process of refashioning its workforce, both military and civilian, to meet the very different demands of a new world. In practice, this meant a series of decisions in the 1990s to downsize the force, through a combination of personnel cuts, retirement incentives and hiring freezes, and to outsource many non-core tasks to the private sector.<sup>24</sup> One of the negative, and unintended, consequences of these changes was an increasingly aging civilian workforce in DoD. There are 75% fewer personnel in their twenties and nearly 50% fewer in their thirties compared with 1989 figures, while the number in their fifties has remained constant.<sup>25</sup> This age imbalance is further compounded by the fact that a bow wave of personnel, 58% of the current civilian workforce in DoD, will become eligible for early or regular retirement in the next two years.<sup>26</sup> This aging demographic presents both a serious challenge and unique opportunity for renewal that senior leadership must address in the coming years. Otherwise, the imperative of maintaining institutional expertise within the Defense Department and the broader national security establishment will be put in jeopardy.

To meet this challenge, the Department of Defense needs to institute a more aggressive approach to recruiting and hiring quality civilians and a more flexible “in and out” system, where there are more incentives for talented personnel to move into and out of government. Such mobility at the mid-career level could be particularly beneficial for bringing best business and management practices into the career civil service. It is also crucial to attracting talented young people to government service.

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<sup>24</sup> Between fiscal years 1989 and 2002, DoD’s civilian workforce shrank from 1,075,437 to 670,166—about a 38% reduction.

<sup>25</sup> Defense Science Board Task Force, *Human Resources Strategy*, pp. 37.

<sup>26</sup> See the GAO March 2003 Report, p. 5.

## **Retaining High Performers**

An explicit goal, and notable success, of the original Goldwater-Nichols Act was to create incentives for the military's best and brightest to seek joint service, joint training and joint education. Most noteworthy, the legislation stipulated professional military education and joint experience requirements for promotion to flag and general officer. Today, it is difficult to refute the notion that these personnel advancements helped to pave the way for the jointness achieved in America's military operations in the intervening years.

Unfortunately, there is no parallel set of incentives or requirements to encourage professional development for civilians in DoD or to broaden their experience base and skill set – whether education, training or interdepartmental and interagency rotations. Whereas the U.S. military personnel system strategically marshals, manages and maintains a high quality of uniformed officers because it views its people as assets whose value can be enhanced through investment, civilian human capital systems among the national security agencies simply do not adhere to this fundamental precept. This reflects a general lack of appreciation for the critical roles that civilian professionals play in the Department of Defense and the national security agencies more broadly: providing deep expertise, institutional memory, continuity across administrations, and seasoned perspectives on policies and programs.

For example, in contrast to how training is viewed in the military context, many DoD civilians view training and professional education as a detour rather than a path to future advancement because the current civilian system does not consistently reward the acquisition of new skills. Moreover, even where professional development programs and training courses for civilians are made available, many managers have a perverse incentive not to allow their best employees to pursue such opportunities because they lack the ability to quickly and easily fill the open billet with a person of similar talent.<sup>27</sup> In contrast to the U.S. military, where a 10-15 percent personnel “float” has enabled the Military Services to emphasize the education and training so crucial to professionalization and performance, the DoD civilian workforce has not been authorized any additional billets to enable professional education and training in its mid- and senior-level ranks. As a result, the system often thwarts rather than encourages the sorts of education and training experiences that would meaningfully enhance the performance of its personnel.

In addition, the current personnel system has no incentives or requirements for policy professionals to seek interagency, private sector, or international rotations over the

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<sup>27</sup> In FY1997 and 1998, respectively, the Defense Department created the Defense Leadership and Management Program (DLAMP) and the Policy Career Development Program (PCDP) to build a framework for developing civilians in the Department. Inadequate funding and low enrollment levels for OSD employees have largely prevented these programs from flourishing. See Chu and White, *Ensuring Quality People in Defense*, p. 232; see also DLAMP website at [www.cpms.osd.mil/dlamp](http://www.cpms.osd.mil/dlamp). The DLAMP program is described in DoD Directive 1430.16.

course of their careers, further contributing to parochialism within the ranks of civilian professionals in DoD (and other agencies). For example, an OPM-conducted survey found that, throughout the entire federal government, only 9% of the Senior Executive Service (the leadership component of the civilian workforce) has worked in more than one agency, although nearly half (45%) think such mobility would substantially improve their job performance.<sup>28</sup> No incentives, no requirements and inadequate resources to support external rotations starkly contrasts with how the careers of most military officers are managed.

Furthermore, the aging of the DoD workforce and absence of an “up or out” culture has tended to clog the personnel system at the top, creating unnecessary management layers and limiting promotion opportunities for rising stars. Promotions and plum assignments in some parts of the Department still too often are based on seniority as opposed to performance. And the protections inherent in the civil service system have often limited the ability of managers to replace non-performers. In addition, all of the senior management positions in DoD at the Assistant Secretary level or above are occupied by political appointees, limiting the opportunities for advancement available to even the most capable and experienced career professionals.

This glass ceiling is not only real; it is virtually impenetrable. It is also somewhat unique: At both the State Department and the CIA, for example, one can find career professionals serving at the Undersecretary level. What’s more, political appointees in the Pentagon also abound at lower levels, such as Deputy Assistant Secretaries, Deputy Undersecretaries, Office Directors and even action officers. Not surprisingly, the retention rates for the best and brightest coming into the civil service in DoD and elsewhere are rather dismal: 75% of the Presidential Management Interns surveyed in 2002 said they would leave government within 10 years.<sup>29</sup>

## Recommendations

So what is to be done? Many have hailed last year’s passage of the National Security Personnel System (NSPS) as part of the 2003 defense appropriations package as the vehicle that will transform DoD’s civilian personnel system. While the NSPS legislation does in fact give the Secretary of Defense significantly broadened latitude to manage and reshape the future of DoD’s civilian workforce (especially with respect to key elements such as hiring, compensation, promotion and job classification), it is too soon to evaluate the actual substance and strategic direction of this new system.<sup>30</sup> The room to maneuver has been created, but it is not yet clear how or to what end these new authorities will be used. It is, however, clear that substantial additional steps are needed

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<sup>28</sup> U.S. Office of Personnel Management and the Senior Executives Association, *Survey of the Senior Executive Service*, 1999. Indeed, one of the benefits for members of the Senior Executive Service is to have a network of professional contacts across one’s own department and others.

<sup>29</sup> The National Commission on the Public Service: *Revitalizing the Federal Government for the 21<sup>st</sup> Century* (January 2003). In January 2003, the Presidential Management Internship (PMI) program was renamed the Presidential Management Fellowship (PMF) program.

<sup>30</sup> For more on the NSPS and its evolution in further detail, see its official website at [www.cpms.osd.mil/nsps](http://www.cpms.osd.mil/nsps).

to attract, retain, motivate and reward a high-performing corps of civilian defense professionals.

- ***Congress should establish a new Defense Professionals Corps to attract the best and brightest civilians to serve in DoD and to provide greatly expanded opportunities for professional development and career advancement.***

In the face of the coming retirement bow wave and currently poor retention rates for young professionals, the leadership of the Department of Defense needs to completely rethink and reform the way in which it manages and supports its career civilians. Absent a dramatic increase in recruiting, hiring, and retention, DoD could well face a personnel crisis within five years. Like the Foreign Service, the Defense Professionals Corps would have a competitive entry process (similar to the current PMI program) designed to identify and attract the most talented young people considering government service. In order to make this option even more attractive, Congress should significantly expand programs that provide support for graduate education in exchange for government service, such as the National Security Education Act and student loan forgiveness programs. At the same time, DoD should revamp its recruiting efforts to be able to make on-the-spot job offers, pending a candidate being given the appropriate security clearances. In addition, the process for granting and renewing security clearances should be streamlined and rationalized to reduce unnecessary and costly delays. This could significantly reduce the time and costs involved in the hiring process.

Early on, young professionals coming into the system would specialize in one of four areas: policy, finance and budget, personnel and readiness,<sup>31</sup> or acquisition. Although most would enter the new Corps at the entry level, the system should be designed to allow talented mid-career professionals with relevant experience outside government to join the DoD service. It should also be designed to enable members of the Defense Professionals Corps to move in and out of government service over the course of their careers. In this regard, Congress and OPM should reevaluate the ethics restrictions placed on DoD employees, particularly those below the rank of GS14, to enable DoD career civilians to gain valuable private sector and non-profit experience in the course of their professional development.

Advancement in the Defense Professional Corps should be based on a clear set of requirements designed to develop civilian leaders, in all four areas specified above, capable of operating effectively not only within DoD but also in the interagency context. The early years of a Defense Professional's (DP) career would be spent in his or her area of specialization (policy, finance and budget, personnel and readiness, or acquisition) within DoD. Prior to selection for GS-15, DPs would have to complete one year of professional education focused on broader national security issues and interagency processes. Before being selected for the Senior Executive Service (SES), DPs would also have to complete a 2-3 year rotation to another national security agency or abroad. Prior to selection for SES-4, DPs would have to complete an additional rotation to another national security agency, abroad, or a relevant private sector entity. In addition, DPs

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<sup>31</sup> Specialized technical and scientific personnel would be managed outside this system.

would be accorded regular opportunities for ongoing training in relevant subjects and skills throughout their careers. Special Boards designed to manage the careers of personnel in the Defense Professional Corps would handle selection for education and training opportunities, rotations and promotions.

This obviously would require Congress and the DoD to increase their level of investment in the professional development of the Department's civilian professionals. The National Defense University would need to be tasked and resourced to develop a professional education curriculum on national security for Defense Professionals. Senior leaders would have to commit time and energy to managing the system, including identifying rotation opportunities in other agencies and the private and non-profit sectors as well as serving on Boards that would determine who would be given opportunities for professional education and training, rotations, and promotion.

Just as important, establishing a Defense Professionals Corps would require a fundamental change in the way we think about the career civilians who serve in the Department of Defense: as the name suggests, they would have to be seen, developed and treated as a corps of professionals.

The returns on this investment would likely be substantial. Such a Corps, with its attendant opportunities for professional development and advancement, would stand a much better chance of attracting the best and brightest graduates for service in DoD. It would also stand a better chance of retaining them, especially if the system were made flexible enough to allow DPs to leave and reenter government service over the course of their careers. Such a system also would promote the development of the kinds of management and leadership skills that DoD's civilian professionals need to have to support DoD in its core missions and to cope with the dynamics of the post-9/11 environment. It also could plant seeds that, over time, could contribute to greater jointness at the interagency level.

- ***The Secretary of Defense should create a “personnel float” over the next five years of approximately 1,000 career civilian billets (for GS-12 through SES) in OSD and the defense agencies to enable personnel to pursue the educational, training and rotation experiences required for promotion.***

If we want to be able to expect the same level of professionalism from DoD career civilians as we have come to expect from our military personnel, we must allocate the resources necessary to enable them to undertake a comparable and sustained program of professional development. Congress allows the Military Services 10-15 percent additional endstrength to create a personnel “float” that is used to enable training, education and joint rotations as military professionals come up the ranks. A similar approach is needed for civilian personnel in OSD and the defense agencies at the GS-12 level and above to enable them to meet the professional development requirements outlined for the Defense Professional Corps. Creating the headroom for professional development could be accomplished by either reducing the number of civilian billets while maintaining current personnel levels or increasing the personnel endstrength --



1,000 additional billets would cost about \$90 million -- or some combination of each.<sup>32</sup> This is a small price to pay for a meaningful increase in the performance and professionalism of the Department's career civilians and would be partially offset by endstrength reductions resulting from the organizational consolidations recommended in previous chapters.

- ***Working with Congress, the Secretary of Defense should create additional opportunities for advancement in order to retain DoD's high performing career professionals.***

Specifically, the Secretary of Defense and the President should begin by opening up more senior positions in the Department to career civilians. Currently, virtually all of the senior positions (DASD and above) in DoD are held by political appointees. This contrasts significantly with the State Department, for example, where career Foreign Service Officers can be found at the Deputy Assistant Secretary, Assistant Secretary and Undersecretary levels. In order to enable the most seasoned defense professionals to assume positions of greater responsibility commensurate with their experience -- and in so doing, retain the best personnel -- the growth in the number of political appointees within DoD should be reversed over time. As a start, future Secretaries of Defense should attempt to fill as many Principal Deputy Undersecretary and Principal Deputy Assistant Secretary positions as possible with qualified career civil servants in order to create more room at the top for civilian professionals while also taking advantage of their years of experience and institutional memory. Admittedly, developing and retaining career professionals who can serve at senior levels and giving them the opportunities to do so is a bit of a chicken-and-egg problem. However, as the quality of civilian professionals improves with greater investment in their professional development, more will be competitive to serve at senior levels, and as this occurs, more should be afforded the opportunity to do so.

The Secretary also should work with Congress to create a modified "up-or-out system" with additional incentives for early retirement or voluntary separation for non-performing career civilians in order to create more room at the top for high-performers. This would involve building on the pay banding and performance-based pay approach authorized in the NSPS. Congress should provide full funding for the SecDef to use the Voluntary Separation Incentive Pay (VSIP) authority recently made a permanent SecDef prerogative in the NSPS bill. It should also provide the SecDef with the authority to offer Voluntary Early Retirement as a means of encouraging poor performers to leave government service.

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<sup>32</sup> Estimate based on September 2003 DoD employment statistics as set forth at <http://www.fedscope.opm.gov/employment.htm>.

- ***In order to foster greater jointness at the interagency level, Congress, working with the Office of Personnel Management, should establish a new promotion requirement for all civilian professionals in the national security agencies: appointment to the career Senior Executive Service in any national security agency would require a 2-3 year rotation in another national security agency.***

One of the most profound changes made in the original Goldwater-Nichols legislation was the creation of the Joint Service Officer designation and the associated incentives for officers in the U.S. military to seek joint service as a way of advancing their careers. Once joint service became a virtual requirement for promotion to Flag or General Officer, the best and brightest in each of the Services began to actively seek joint assignments. This cross-fertilization across the Military Services created the human and cultural foundation on which increasingly integrated joint military operations have been built over the last 18 years. Jointness began as a change of experience that begat a change of mindset and behavior.

But there is no comparable system of incentives and requirements to encourage interagency rotations among civilian professionals across the national security agencies. Quite the contrary: rotations out of one's home agency are often viewed as the kiss of death for one's upward mobility. In an era in which purely military operations are becoming an endangered species and interagency operations abound, we need to plant the seed of jointness in the interagency context by creating incentives that reward interagency experience.

Building on the success of the Joint Service Officer program established by the original Goldwater-Nichols legislation, Congress should work with OPM to establish a similar incentive structure to encourage civil servants in agencies that play a key role in national security -- Defense, State, AID, Treasury, Commerce, Justice, Energy, CIA, and Homeland Security -- to gain interagency expertise and experience.<sup>33</sup> Better integrating the plans, policies and operations of these agencies requires a human resources approach that would expand opportunities to gain interagency experience and would reward those who seek broad-based, integrative approaches to problem solving.<sup>34</sup>

Making promotion to SES (or equivalent) as a career professional contingent upon spending a 2-3 year rotation in another agency would likely turn the prevailing attitude toward interagency rotations on its head: Rather than being seen as a distraction from, if not a detriment to, advancement in one's home agency, it would be seen as the most important ticket to punch for promotion. This requirement would be administered by OPM in partnership with the individual Departments, which would maintain control over the selection, assignment and promotion of their own personnel. Over time, this might provide the basis for developing something akin to a National Security

<sup>33</sup> It should also consider providing incentives for Senior Executives to become more deployable for complex operations, as will be discussed in the next chapter.

<sup>34</sup> *Hart-Rudman Commission Phase III Report*, p. 101.

Professionals Corps, which would seek to create a cadre of civilian professionals expert in national security and interagency management.<sup>35</sup>

## **Conclusion**

It is often said that the superior performance of the U.S. military derives from the superior quality of its people – a quality that is borne of the Services’ ability to recruit highly talented individuals, invest in their professional development, and entice many of its top performers to make military service their profession. Given the central roles that civilian professionals play in the Department of Defense and the national security agencies more broadly, our goal should be to be able to say the same about them. Unfortunately, this goal cannot be reached via gentle tweaks to the existing system. The system is badly broken and fundamental reform is necessary. The recommendations above are not radically new or experimental ideas. Rather they are rooted in and modeled on the proven success of the reforms to military personnel management that were made in the original Goldwater-Nichols legislation. Given the looming crisis in DoD’s civilian personnel system, now is the time to extend these reforms to the military’s closest civilian partners.

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<sup>35</sup> *Ibid*, p. 102.

## Chapter 8

### **Improving Interagency and Coalition Operations**

The past decade of experience in complex contingency operations, from Somalia to Iraq, has demonstrated that success requires unity of effort not only from the military but also from across the U.S. government and an international coalition. In most cases, however, such unity of effort has proved elusive. Time and time again, the United States and its international partners have failed to fully integrate the political, military, economic, humanitarian and other dimensions into a coherent strategy for a given operation – sometimes with disastrous results.

In Somalia, the absence of an integrated strategy for achieving our objectives eventually yielded the battle of Mogadishu and the untimely withdrawal of the United States and the United Nations from the country. In Afghanistan, the failure to provide adequate international military and police forces to create a secure and stable environment and adequate civilian capabilities to jumpstart reconstruction has put the country's political transition at risk. In Iraq, the failure to plan adequately for post-conflict operations allowed a security vacuum to develop that cost the U.S.-led coalition dearly – in time, credibility with the Iraqi people, and lives lost. And in nearly every operation from Somalia to Iraq, a lack of rapidly deployable civilian capabilities has left military forces performing tasks for which they do not have a comparative advantage and has extended the duration of their deployments. The failure to integrate strategy and develop needed capabilities for these operations has been one shared, to a greater or lesser degree, by every administration in recent memory.

Yet there have been instances in which greater unity of effort has been achieved. Lessons learned from Somalia motivated U.S. planners for Haiti to initiate the first-ever pol-mil plan – an effort to harmonize the efforts of all of the U.S. agencies involved in the Haiti intervention. This approach later became enshrined in Presidential Decision Directive 56 on Managing Complex Contingency Operations (PDD-56), which was signed by President Clinton in 1997 and used to better integrate strategy and planning for Bosnia, Kosovo, East Timor and other operations.<sup>36</sup> Although the Bush administration drafted its own presidential guidance that captured many of the lessons learned from the 1990s, the document was never signed.<sup>37</sup> As a result, its tenets did not inform the planning and conduct of operations in either Afghanistan or Iraq, and both lacked an integrated strategy for post-conflict operations.

In the post-Cold War, post-9/11 security environment, it is likely that future operations will be both interagency and international in character, requiring a high degree of integration and coordination. Many will involve high stakes for the United States, touching important if not vital national interests, influencing foreign perceptions of U.S. leadership and credibility, and risking American lives and treasure. In short, we will continue to face this challenge, and doing so demands that we extend our notion of “jointness” beyond the Military Services to the interagency and coalition levels.

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<sup>36</sup> See PDD-56 White Paper, at <http://clinton2.nara.gov/WH/EOP/NSC/html/documents/NSCDoc2.html>.

<sup>37</sup> The unsigned National Security Policy Directive is known as NSPD “XX.”

This chapter aims to identify some of the key factors that have contributed to poor interagency and coalition performance in past operations, and makes concrete, actionable recommendations to build the U.S. government's capacity for developing more integrated strategies and plans, and for conducting more integrated operations.<sup>38</sup> It also offers several ways to improve coordination mechanisms for coalition operations. These recommendations obviously go far beyond the bounds of defense reform, but they are nevertheless essential to the future success of the U.S. military. Because the U.S. military will rarely operate outside the interagency and coalition contexts, its unmatched capabilities to win wars will be squandered if the United States and the international community more broadly do not also develop the capabilities needed to win the peace.

### **The Problem**

Several factors have contributed to the less-than-stellar performance of the U.S. government in recent operations. Unlike the military, which has doctrine and a standard approach to planning operations, the U.S. government as a whole lacks established procedures for developing integrated strategies and plans. Each new administration tends to reinvent this wheel, issuing new guidance on how strategy development and planning is to be done, often overlooking the best practices of and lessons learned by its predecessors. Some administrations have ignored the issue entirely until they confronted an actual crisis to which they had to respond. This *ad hoc* approach has thwarted institutional learning and often hindered performance.

In addition, there is no "planning culture" outside the Department of Defense. Whereas military officers are taught to see planning as critical to success in operations and trained in its finer points, this notion is largely foreign to other agencies like the Departments of State and Treasury. With the exception of the Agency for International Development (AID), which plans long-term development projects, the civilian agencies tend not to have dedicated planning staffs or expertise.

Furthermore, there is little capacity on the National Security Council staff dedicated to integrating agency strategies and plans or monitoring their execution, even though both functions are critical to achieving unity of effort across the U.S. government and success on the ground. This state of affairs is an understandable but unfortunate legacy of the Oliver North era, when an NSC staffer strayed into the dangerous territory of conducting foreign operations from the Old Executive Office Building. Since that time, NSC involvement in the conduct of operations has become a third rail in American foreign policy.

While it remains true that lead responsibility for the planning and conduct of operations should rest with individual agencies, it also is true that the NSC staff has a critical role to play in leading an interagency process to develop an integrated strategy and a coherent U.S. game plan. Leaving this integration function to a lead agency, which

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<sup>38</sup> A broader look at fundamentally reorganizing the U.S. government to deal with the national security challenges of the 21<sup>st</sup> Century is needed but beyond the scope of this Phase I report.

has no authority over its counterparts and cannot bring the President's authority to bear, has been tried in the past but rarely works, as was most recently demonstrated when President Bush gave the lead to DoD for planning for post-conflict operations in Iraq. A strong NSC role as integrator is necessary to counteract agency parochialism, identify potential disconnects and synergies, and elevate contentious issues to the Deputies and Principals for decision, preferably before American lives and treasure are on the line.<sup>39</sup>

Another source of poor U.S. performance in complex operations is the lack of rapidly deployable experts and capabilities in most civilian agencies.<sup>40</sup> Most civilian agencies do not focus on the conduct of operations and therefore lack an operational culture. Consequently, even though these agencies may be tasked with performing critical tasks in a particular operation, they generally lack personnel who are trained and ready for these missions as well as the authorities and resources to rapidly deploy them and to quickly establish programs in the field.<sup>41</sup> In practice, this means that the U.S. military has few civilian partners on the ground in the opening months of an operation. This can be a recipe for both mission creep, as military personnel are pressed to step into the vacuum and conduct tasks for which they are ill-suited or ill-prepared, and longer deployments, as milestones that will ultimately enable their exit strategy take longer to achieve.

Finally, there are no standardized mechanisms for coordinating the planning and conduct of complex operations among coalition partners. The lack of jointness at the international level is even greater than at the interagency level. Here again, consultation and coordination mechanisms tend to be reinvented for every new operation, often with little regard for lessons learned or best practices from previous experiences. While some of this is understandable given the range of forms an international intervention may take - from a UN operation, to an operation led by NATO or another regional organization, to a coalition of the willing led by a particular nation - more can and should be done to identify what has (and has not) worked in the past and to strengthen mechanisms for international coordination in the future.

Given the nature of the post-Cold War, post-9/11 security environment, the demand for the United States and its international partners to conduct complex operations that require the integration of political, military, economic, humanitarian and other dimensions will likely continue. Although the purpose and rationale for these operations will undoubtedly vary - from preventing the use of WMD to fighting terrorism, rebuilding failed states, preventing genocide and more - they invariably will demand a

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<sup>39</sup> The Bush White House move in October 2003 to set up the "Iraq Stabilization Group" under the control of the national security advisor appeared to be at least a tacit acknowledgement that the NSC staff needed to assume a more central and assertive role in coordinating post-conflict reconstruction operations in Iraq.

<sup>40</sup> The most well-known and laudable exception to this is AID's Office of Foreign Disaster Assistance, which rapidly deploys Disaster Assistance Response (DART) teams to coordinate the delivery of humanitarian assistance.

<sup>41</sup> Anecdotal evidence suggests that most U.S. career civilians, from both the Departments of Defense and State, who have gone to Iraq to serve under the auspices of the Coalition Provisional Authority, have done so voluntarily and were not mandated by their home agencies. Most tours for civilians have ranged from 90 to 120 days, a relatively short timeframe that disrupts vital continuity in the theatre of operations.

level of jointness at the interagency and coalition levels that we currently lack the capacity to achieve. Improving our performance in the conduct of these operations is not simply a matter of becoming more efficient or even more effective at the margins; it is a matter of whether or not we will be able to achieve our national security objectives at acceptable levels of cost and risk in the future.

## Recommendations

In order to achieve greater unity of effort and success in future complex operations, the administration and the Congress should take a number of concrete steps to meaningfully increase the U.S. government's capacity to develop strategy for, plan for and conduct integrated operations.

- ***The President should designate a Deputy Assistant to the President on the NSC Staff as having lead responsibility for integrating agency strategies and plans and ensuring greater unity of effort among agencies during execution, and should establish a new NSC office with this mandate.***

In this capacity, the Deputy Assistant to the President for Stability Operations would co-chair all Deputies Committee meetings related to responding to international crises and would be supported by a new NSC office for Stability Operations.<sup>42</sup> This new office would be responsible for developing policy direction to guide agency operational planning, reviewing and integrating agency plans for complex operations, helping to resolve differences or gaps between agency plans prior to execution, and monitoring the implementation of plans as an operation unfolds. For every stability operation being considered, this Deputy Assistant to the President should establish an Interagency Crisis Action Team including the relevant NSC regional and functional Senior Directors as well as the relevant Undersecretary or Assistant Secretaries from agencies likely to be involved in the operation. The Deputy Assistant to the President should be given the staff and resources to be able to support at least three interagency Crisis Action Teams simultaneously. Ideally, a core of this staff would remain in place as administrations change to provide continuity.

- ***Each President, early in his or her tenure, should review the guidance establishing standard operating procedures for the planning of complex operations.***

This guidance should articulate: an interagency division of labor, specifying which agencies should be prepared to lead or support others in various task areas; the mechanisms and process that will be used to integrate interagency planning, such as Interagency Crisis Action Teams or Executive Committees and a standard planning paradigm, including a template for a pol-mil plan, when and how interagency rehearsals

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<sup>42</sup> Similar proposals have been made in The Commission on Post-Conflict Reconstruction, *Play to Win*, January 2003, available at <http://www.csis.org/isp/pcr/playtowin.pdf> and in legislation introduced by Senators Lugar and Biden entitled, "The Stabilization and Reconstruction Civilian Management Act of 2004," which is reprinted in the February 25, 2004 *Congressional Record*.

will be conducted, and so forth. Each administration should seek to the maximum extent possible to build on the lessons learned and best practices of its predecessor.

- ***The Secretaries of all agencies likely to be involved in complex operations abroad should establish their own planning offices to lead the development of agency plans and participate in the interagency planning process.***

Congress should provide the authorities and resources for additional personnel for this purpose. At a minimum, new planning offices with approximately 10-12 people each should be created in the Departments of State, Treasury, Commerce and Justice.

- ***For each operation, the President should designate one senior official to be in charge of and accountable for integrating U.S. interagency operations on the ground.***

In some cases, this senior official will be the U.S. Ambassador to the host country. In many cases, however, the United States may not have an Ambassador in country.<sup>43</sup> In that case, a “Special Representative of the President” (SRP) should be appointed and charged with leading interagency operations on the ground once major combat operations have ceased. He or she would be supported by a staff of agency detailees and other experts mobilized for the operation (see below). (During combat operations, lead responsibility in the field would obviously rest with the military chain of command.) In the case of a U.S.-led coalition operation, the SRP would also lead the coalition effort in the field. If the United States were participating in an operation led by the UN, NATO, or another nation, the SRP would be the principal civilian U.S. interlocutor with the UN SRSG, senior NATO representative or the senior representative of the lead nation.

In order for this Special Representative to be able, on behalf of the President, to bring the full range of U.S. capabilities to bear in a timely manner, Congress should give the President more flexible funding authorities for such operations, such as, notwithstanding authority for the provision of assistance to respond to crises, a flexible and replenishing emergency account for stability operations, and more flexible contracting and procurement procedures to jump-start reconstructions more rapidly on the ground.<sup>44</sup>

- ***Congress should establish a new Agency for Stability Operations, with a Civilian Stability Operations Corps (CSOC) and Reserve, that is charged with: assessing and preparing for stability operations; organizing, training and equipping civilian capabilities for such operations; and rapidly deploying civilian experts and teams to the field.***

<sup>43</sup> Recent examples include Somalia, Bosnia, Kosovo, Afghanistan, and Iraq.

<sup>44</sup> See, for example, the new funding mechanisms described in the 2004 SARCMA legislation noted above.



The Agency for Stability Operations would be an independent agency, with its own operations-oriented culture, that would report directly to the Secretary of State.<sup>45</sup> Its principal functions would be to: monitor and assess crises that could result in U.S. involvement in stability operations; plan for the non-military aspects of such operations; participate in the development of interagency plans for stability operations; catalogue non-military capabilities and resources within the U.S. government that could be used in such operations; establish standing mechanisms, such as Memoranda of Understanding with other agencies and contract vehicles for certain types of services, to enable the rapid deployment of U.S. civilians to operations; establish and manage a Civilian Stability Operations Corps of 200-300 USG civilians who are organized, trained and equipped to conduct stability operations; oversee the establishment and maintenance of a Civilian Stability Operations Reserve of civilian experts outside government, in areas ranging from the holding of elections to the rebuilding of infrastructure, who agree to be “on call” for rapid deployment overseas; interface with relevant international organizations, non-governmental organizations, and foreign partners; and mobilize civilian personnel for deployment to operations, including providing staff support to the President’s Special Representative in the field.<sup>46</sup>

Congress should provide this new agency with the authorities and resources necessary to support deployment of civilian teams to the field within days or weeks. One important aspect of this is ensuring that the President and his Cabinet Secretaries have the authorities they need to send selected civilian personnel to operations on a non-volunteer basis. Congress and OPM should consider creating new incentives, such as enhanced pay and retirement benefits, for civilian professionals who are willing to sign up in advance to be available for deployment to operations abroad.

- ***Congress should create a new Training Center for Interagency and Coalition Operations.***

This Training Center should be given the following key missions:

- Training NSC and agency personnel in integrated planning for complex contingencies;
- Providing pre-deployment training to interagency personnel tapped for specific operations;
- Training new officials coming into posts with responsibilities for operational planning and/or oversight;

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<sup>45</sup> One alternative considered was to reform USAID to perform this function, but the bureaucratic and cultural barriers to doing so seemed insurmountable. Another was to put these functions in a new office in the State Department; this was rejected primarily out of concern that the State Department lacks the operational culture required for this new entity to be successful. A third option was to create a new White House office to perform these functions, but this idea ran afoul of the general disinclination to involve the White House directly in the conduct of operations.

<sup>46</sup> Both *Play to Win* and the SARCMA legislation makes a number of similar proposals.

- Developing and certifying a cadre of civilian experts (including CSOC personnel and reservists) who could be called on to participate in future operations;
- Hosting international training sessions and exercises that would include U.S. civilian and military personnel as well as their counterparts from allied and partner countries to develop standard operating procedures for the planning and conduct of complex operations; and
- Collection, analysis and dissemination of lessons learned and best practices, including providing fellowships to enable senior personnel just returning from the field to capture and share their lessons learned with others.

To ensure an interagency perspective and to maximize participation by both military and civilian professionals, the Training Center should be jointly run by DoD's National Defense University and the State Department's National Foreign Affairs Training Center.

- ***The Secretaries of Defense, State and other departments should enhance peacetime opportunities for civilian planners and operators to work with their counterparts from various countries. Congress should provide funding for these programs.***

Such contacts and exchanges are critical to developing an understanding of partner approaches to and capacities for complex operations and, over time, establishing a set of standard operating procedures for planning and coordination. Such opportunities could include: establishing the equivalent of the military-to-military exchanges for civilian planners with their counterparts in key coalition states or multilateral organizations like the UN and NATO; recruiting representatives from U.S. allies and likely coalition partners to participate in relevant U.S. education and training programs, rehearsals and exercises, and seeking to be included in theirs as well; and increasing the number of international liaison officers working in USG offices involved in planning, oversight and execution of operations as well as the number of U.S. liaison officers in similar offices abroad.

- ***Congress should fund two international training and exercise programs to develop and institutionalize standard operating procedures for the planning and conduct of operations involving U.S. civilian and military personnel and their foreign counterparts.***

The first program should target civilian and military planners at the headquarters level and should aim to establish civil-military mechanisms for coordinating planning among allies or coalition partners for a particular operation. The second program should involve field-level operators and should aim to refine civil-military coordination mechanisms for the coalition on the ground, based on best practices from past operations. Both of these programs could be hosted by the Interagency Training Center described above and both should be ongoing activities to ensure that the United States has a standing vehicle for establishing and refining SOPs for integrated operations with its allies and coalition partners.

- ***Congress should increase U.S. funding for programs that support building the operational capabilities of allies and partners in priority task areas in complex operations.***

It is in U.S. interests to help its allies and potential coalition partners to enhance the capabilities they can bring to bear in complex operations, especially in areas where the United States does not have a comparative advantage or cannot afford to fill the need by itself. This could include, for example, increasing U.S. funding for the training and equipping of international civilian police as well as constabulary and peacekeeping forces from other countries. It might also include supporting the development of deployable civilian teams expert in areas ranging from justice reform and rule of law to civil administration.

## **Conclusion**

For years, the United States has underinvested in the civilian capabilities needed to partner with its military forces to achieve success in complex operations. It also has failed to institutionalize the mechanisms needed to integrate both U.S. government efforts and international efforts in complex operations. Some feared that creating such capabilities would make it easier for the United States to get involved in “nation-building.” Others simply did not see this is a high priority.

In the wake of September 11<sup>th</sup>, however, the link between failed states and global terrorism is widely recognized: If the international community ignores failed and failing states, they may well become safe havens for terrorists who operate against us, as in the case of Afghanistan. In addition, the Iraq war has served to remind us that post-conflict reconstruction operations are an inherent part of warfare. However “decisive” the combat phase of a war, it will invariably stop short of achieving our broader strategic objectives. In other words, decisive military operations may be necessary to achieve our objectives, but they are rarely if ever sufficient. To get to the final goal, one needs follow-on civil-military operations to win the peace.

These two facts – that we will likely find it in our interests to deal with failed or failing states in the future and that post-conflict operations are an intrinsic rather than optional part of winning a war -- suggest that it is high time the United States develop and institutionalize the civilian and military capabilities it needs to be successful in such complex operations. This will require some significant investment – both political and financial – on the part of both the Congress and future Presidents, but compared to the costs of failing to improve our performance in future operations, such an investment is small and well worth it.

## Chapter 9

### **Strengthening Congressional Oversight**

The U.S. Congress is the place where ideas become the nation's plans and commitments. Yet, diminishing expertise and few truly national debates in Congress prevents an enduring foundation for new directions, including significant defense reform. The BG-N study team believes that it is critical to the health of both institutions to strengthen Congressional oversight of the Department of Defense.

Over the past year, the BG-N study team has consulted numerous currently serving high-ranking officials from the Executive and Legislative branches, as well as a number of distinguished retired Senators and House members and staffers and former senior DoD officials, including several former Secretaries of Defense, to assess the current state of Congressional oversight and to discuss possible remedial steps. We appreciate the candor with which these individuals shared their views and their genuine interest in identifying strategies aimed at improving Congressional oversight as well as enhancing cooperation and comity between the two branches, more broadly.

Practically all agree that there has been a significant and disturbing degree of erosion in the quality and structure of Congressional oversight of the Department in recent years, particularly by the two defense authorizing committees (the House and Senate Armed Services Committees).

A small number contend that the erosion in effective oversight by the defense authorization committees is not a problem at all, in that the absence of aggressive oversight means "fewer hassles" for the Department. This is a shortsighted view. Congress is the indispensable link to the American people, the "connective tissue" between our national leaders and policies. The ability to develop and sustain a modern and capable military establishment is dependent upon the support and consent of the American people and their elected representatives in Congress.

In fact, the Department benefits considerably from serious questioning of its plans, policies, and programs by the Congress. As noted in the report issued by the Hart-Rudman Commission, "The objections raised by differing Congressional opinions can refine policy by forcing the administration to respond to previously unconsidered concerns...Congress can force the President and his top aides to articulate and explain administration policy – so the American people and the world can better understand it."<sup>47</sup>

#### **The Problem**

Effective Congressional oversight of the Defense Department is critically important to the nation's ability to identify and defeat extant and emerging threats to our security and that of our friends and allies across the globe, and to organize and fashion a defense establishment that is both efficient and agile. At present, however, Congress is

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<sup>47</sup> U.S. Commission on National Security/21<sup>st</sup> Century Roadmap for National Security: Imperative for Change, Phase III Report (February 2001), p. xx.

engaged in too much of the wrong kind of oversight – too few national debates on major issues and far too much time and energy being spent on relatively minor and parochial issues.

The defense authorizing committees today have less stature and wield less influence than at any time in recent memory. For example, despite the enormous amount of time devoted to reviewing the Department's annual budget requests, the authorizing committees are largely irrelevant to the budget process. In recent years, the HASC and SASC typically have concluded their conference committee deliberations long after the defense appropriations subcommittees have completed work on the Defense spending bill for the next fiscal year. Thus, the defense authorization conference reports have simply "carried" the amount of funding for most line items and accounts set by the defense appropriations subcommittees.

Those same defense authorization conference reports have grown in size, scope and complexity. The Congressional Research Service reports that in 1960, the annual defense bill had 11 pages. Two decades later, it was 186 pages long. The most recently enacted defense authorization conference report (for FY2004) was 898 pages long, with literally hundreds of provisions that impact practically every aspect of the Department's business. Ironically, legislating this level of detail – "focusing on the capillaries" as one analyst put it – has actually reduced Congress's clout, not accentuated it, according to most observers.

Unfortunately, the committees have devoted only a modest amount of time to reviewing proposed far-reaching changes to the Department's overall management structure and responsibilities, considering major changes in the global military force posture and basing, assessing the "lessons learned" from recent combat operations in Afghanistan, Iraq and the global war on terror, and other "big picture" issues that clearly warrant detailed review and attention.

What accounts for this degradation in the stature and authority of the defense authorizing committees and the general decline in the effectiveness of Congressional oversight? A number of institutional and other factors have contributed to the overall problem. First, the size of the defense oversight committees has grown remarkably. Today there are 61 members of the HASC (one-in-seven members of the House) and 23 members of the SASC (nearly one-in-four members of the Senate). The HASC in particular is simply too large to function effectively. At the same time, there has been a remarkable turnover in membership on the defense authorizing committees. Since the end of the Cold War, there has been a general decline in the cachet associated with serving on committees that deal with national security matters. Members who have a military base or a major defense industrial plant in their district are likely to actively seek an assignment on a defense committee; more often than not, however, that member will focus on the needs of that base or the weapon system produced by that plant, rather than on broader national issues.

Secondly, there has been a steady decrease in the last decade or so in the number of members of Congress with military experience and expertise in national security topics. World War II veterans (“the greatest generation”) are passing from the scene. In 1980, 240 House members had military experience; today, there are half that many (121), according to the Congressional Research Service, *Congressional Quarterly* and the American Legion.

Third, members are assigned to four, five and sometimes six subcommittees, each of which typically meets on Wednesday morning or afternoon. Because of the competing demands on their time, members spend less time on a particular committee or subcommittee assignment than he or she might otherwise prefer. Moreover, a truncated workweek has reduced the amount of time that members spend in Washington. In the House, for example, members can expect to cast recorded votes on the House floor beginning Tuesday late afternoon or evening and to return to their districts late Thursday evening or Friday morning. So most members today fly home on Thursday and return to Washington on Tuesday night, producing effectively a 2½-day workweek. This abbreviated schedule – which was designed to give members more time to attend to constituent interests back in their home district – has had a negative impact on the ability of members to become expert in a given topic, including defense issues.

Fourth, the marked growth in the size of Congressional staffs has led to specialization. As a former Deputy Secretary of Defense noted, “the larger the staffs, the smaller the issues they go after.” As the size of the defense committee staffs have grown, committee chairmen, with a few exceptions, have failed to ensure that a significant percentage of staff effort and attention is devoted to broader national policy issues and concerns.

Fifth, the growth in the size of other Congressional institutions devoted to overseeing Departmental programs and activities have led to blurred jurisdiction. Members have at their fingertips several organizations responsible for advising the Legislative branch on various matters (including national defense), such as the Congressional Research Service, the General Accounting Office, and the Congressional Budget Office. At any one time, literally dozens (if not hundreds) of audits, reviews, investigations, and assessments of the Department’s programs and activities are underway by these entities. The ready availability of this panoply of investigative bodies tends to reinforce the instinct to look at micro issues versus the “big picture.” In addition, there is a set of less official “institutions” that can play a big role in influencing Congressional decision-making on specified topics. Quasi-official entities, such as the Depot Caucus, provide highly specialized channels for special interests. The Department develops integrated plans, but these entities are dedicated to maximizing the value to subsection elements.

In a similar vein, practically every Congressional committee now claims some degree of jurisdiction over one or more aspects of the Department’s activities. A partial listing of such committees includes: the House and Senate Armed Services Committees, the House and Senate Appropriations Committees, the House and Senate Budget

Committees, the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence, the House International Relations Committee and the Senate Foreign Relations Committee, the House Government Reform and Oversight Committee and the Senate Governmental Affairs Committee, the House Energy and Commerce Committee and the Senate Commerce Committee, and the House and Senate Small Business Committees. This diffusion of effort results in less clout for the legitimate oversight committees and consumes enormous amounts of time and attention of senior Department officials.

Another contributory factor is the general reluctance of many members to challenge the authority of the commander-in-chief on military matters, especially when the chief executive is a member of their political party. Additionally, there has been a reluctance of the Executive branch, and especially the Department of Defense, to insist upon and facilitate a discussion and debate of major, national-level policy matters.

Further complicating matters is the perceived truth that Congress is unable to say “no” to constituents and interest groups who vie for an opportunity to receive federal funds for their particular program, cause, or activity. The most obvious example here is so-called “pork” projects – projects of varying degrees of justification for which funding was not requested by the Administration in the proposed budget. A more important and, over the long term potentially more debilitating, trend is the establishment of more and more “entitlements” or “unfunded mandates” for certain groups and individuals. The funds required to implement these new mandates/entitlements are substantial and will crowd out resources for needed modernization and transformation.

Finally, one cannot underestimate the impact the end of the Cold War has had on Congressional oversight. Today there is no overarching military challenge or guiding principle that disciplines the process. Without a unifying threat or theme, it is difficult to evaluate and prioritize any one proposed add-on over another.

### **Relations between Congress and DoD**

The decline in Congressional oversight has clearly contributed to deteriorating relations between Congress and DoD. Although no one we interviewed suggested that the relationship had gone so far awry as to call into question the ability of the separate branches to carry out their respective duties as enumerated in the Constitution, or to act expeditiously and in the nation’s interest in times of crisis or adjudicate legitimate differences in times of peace, we were surprised by the degree of antagonism that seems to characterize the relationship at present.

Many in Congress see problems in the current relationship. As one veteran committee staff director put it, “It [the state of relations between senior DoD officials and their overseers in Congress] is worse than I have ever seen in my twenty-plus years on the Hill.” Another high-ranking staff member expressed “surprise that the Secretary and Deputy have allowed the relationship to deteriorate as far as it has. ...” Many factors, we believe, have contributed to this state of affairs.

Many members of Congress and their staffs believe that many senior civilian and military leaders in the Departments view Congress with arrogance and disdain. Several interviewees noted that this is not a new phenomenon, nor is it unique to the current administration. Indeed, for decades administrations of both parties have expressed reluctance and frustration in their dealings with the Congress. Today, however, the situation appears exacerbated.

Most Congressional interviewees believe there is an inadequate flow of information from DoD to the Hill. More than one committee chairman complained of learning of major policy, budget, programmatic, and operational details and developments through the news media. One interviewee asserted that “we [the chairmen and ranking minority members of the principal oversight committees] should never, ever be surprised” by major actions or announcements of the Department. Yet, according to many on Capitol Hill, committee leaders constantly have to fight for information from the Department or learn about major decisions through CNN or some other news media outlet.

There was also the perception that it was difficult to identify a single individual who has the Secretary’s ear and is capable of speaking for him or her on matters of importance to the Congress as it carries out its legitimate oversight and legislative functions. Several interviewees expressed frustration at the lack of clear lines of authority within the Department for formulating a position on pending legislation and providing such information to the defense committees in a timely manner.

Concern was also expressed about the apparent refusal of senior DoD officials to work behind-the-scenes with the committee chairmen and other members and staff regarding the substance of legislation under consideration within the Department or the appropriate strategy for securing passage of key Departmental legislative initiatives. The recent example of legislation authorizing modifications to the civilian personnel system was cited in this regard. According to one committee professional staff member, senior DoD officials refused to work with that committee’s leadership on either the substance of or the legislative strategy associated with that legislation before the measure was formally submitted to the Congress for its consideration; as a result, the Department “got less [of what it had requested] and ruffled more feathers than necessary.”

In all, this suggests a perceived lack of trust and respect for the views of members of Congress by some senior DoD officials.

For their part, senior DoD officials expressed many frustrations in their dealings with the Legislative branch. In addition to complaining about many of the features of legislative control listed above, defense officials frequently lambaste Congressional “micromanagement” of defense programs, policies, and processes. For example, Secretary Rumsfeld argued in an interview that many state governors have greater authority to reprogram funds from one activity to another than he does as Secretary of a department with a \$400 billion annual budget. The BG-N study team believes that



Congress should provide the Secretary of Defense with more management flexibility, but that is unlikely to occur unless a new relationship based upon respect, reciprocity and transparency can be built.

### **Recommendations**

- *Seek a bipartisan, “BRAC-like” process for reinvigorating Congressional oversight of DoD.*

Congress must reform itself. Any actions must be initiated and embraced by Congress, because each House of Congress can always change its rules at the beginning of each session. The BG-N study team believes that Congressional oversight would be strengthened if the Armed Services committees were encouraged to focus on “macro” strategy, policy and organizational issues. We also believe that it is critical to cut the size of the authorizing committees and limit claims of jurisdiction from other committees. Perhaps, it is time to experiment (again) with a two-year authorization bill. We make these as suggestions, not recommendations, because only Congress can develop a process of self-reform.

To address Congressional reform, Congress may need to establish a process similar to the one created for the base realignment and closure (BRAC). Congress could establish an independent group (perhaps of former Congressional leaders from both Houses and both parties) to assess current committee membership, structures and jurisdictions and to make recommendations on how to enhance Congressional oversight. This commission would then make a set of proposals to the bipartisan Congressional leadership for acceptance or rejection as a package deal.

### **Conclusion**

Is it possible for the Congress to focus on broader topics? Is there a model for how the defense oversight committees might follow to regain lost clout and competence on truly national issues?

In fact, on numerous occasions over the past twenty years the authorizing committees have risen to the challenge and waged a serious dialogue and debate on issues of national importance. Examples of such leadership include: the series of hearings in the early 1980s in the SASC, led by Senators Sam Nunn and John Warner, on NATO defense strategy; the hearings held by the SASC and the HASC during November and December of 1991 that helped prepare the nation for the first Gulf war; the review of DoD force structure and strategy options in the HASC under Chairman Les Aspin in 1992; the reports on declining military readiness issued by HASC Ranking Minority Member Floyd Spence in the mid 1990s; and most important of all, the dialogue and debate over how to promote more effective joint warfighting capabilities, led by Senator Barry Goldwater and Congressman Bill Nichols, that culminated in the passage of the Goldwater-Nichols Defense Reorganization Act of 1986.

Strengthening Congressional oversight over DoD is not a “zero-sum” game in which DoD loses power to the Congress or vice versa. Stronger Congressional oversight will lead to more debates over defense issues and stronger defense strategies and policies. Indeed, the real and most important beneficiary would be the American people who rightly expect their elected representatives and appointed leaders to work together to protect them from ever more complicated threats and challenges. We hope the ideas and concerns outlined in this section will help stimulate the kind of renewed emphasis on effective Congressional oversight the American people expect and deserve.

## Chapter 10

**BG-N Phase 1 Recommendations**

This chapter lists all of the Phase 1 Report's major recommendations, categorized according to the authority and potential resources that are required for their implementation. The President, the Secretary of Defense, or the head of an Executive Branch department or agency, as appropriate, can implement those in the first group. The second group of recommendations requires amendments to Title 5 or Title 10 of the United States Code. Implementation of the third group of recommendations requires additional budgetary resources provided by Congress.

Ch.	Major Recommendation	Executive Authority	Changes to USC Title 5 or Title 10	Budgetary Resources
4	Eliminate or consolidate much of the Service Secretariats into the Service Staffs.		√	
4	Combine elements of J-1 and the relevant parts of OSD (P&R) under a military deputy to the Under Secretary (P&R).	√		
4	Move the Joint Logistics Operation Center to J-3 (where it is already co-located); combine the remainder with DUSD (Logistics & Material Readiness) under a 3-star deputy to the Under Secretary (AT&L).	√		
4/6	Convert (or transform) J-6 into new Joint Task Force for Joint C2 (with budgetary and acquisition authority), incorporating appropriate elements of DISA.	√		√
4	Disband J-7 and transfer responsibilities to the J-3, J-5, J-8 and the Joint Forces Command.	√		
4	Expand the Under Secretary of Intelligence to include C3.		√	
4	Consolidate OSD housekeeping functions under an ASD for Administration.	√		

Ch.	Major Recommendation	Executive Authority	Changes to USC Title 5 or Title 10	Budgetary Resources
5	Build J-8 capacities in the Combatant Commands.	√		
5	Build a stronger PA&E.	√		
5	Create an Office of Implementation & Execution Review.	√		
7	Establish a new Defense Professionals Corps.		√	√
7	Create headroom for professional development for GS-12 through career-SES by either reducing the number of billets while maintaining current personnel levels or increasing endstrength – 1,000 additional billets – or a combination thereof.	√		√
7	Require an interagency rotation to be eligible for career SES appointment in any national security agency.	√		
7	Create additional opportunities for professional advancement.	√		
8	Designate a Deputy Assistant to the President on the NSC as having lead responsibility for integrating agency plans and ensuring greater unity of effort among agencies during execution; establish a new NSC office with this mandate.	√		
8	Issue Presidential guidance establishing standard operating procedures for the planning of complex contingency operations.	√		
8	Establish new planning offices in the Departments of State, Treasury, Commerce and Justice.	√		
8	Designate one senior official to be in charge of and accountable for integrating U.S. interagency	√		

Ch.	Major Recommendation	Executive Authority	Changes to USC Title 5 or Title 10	Budgetary Resources
	operations on the ground.			
8	Establish a new Agency for Stability Operations, with a Civilian Stability Operations Corps and Reserve.	√	√	√
8	Create a new Training Center for Interagency and Coalition Operations.	√		√
8	Increase U.S. funding for programs that support building the operational capabilities of allies and partners.	√		√
8	Enhance peacetime opportunities for civilian planners and operators to work with their counterparts from various countries.	√		√
9	Initiate BRAC-like bipartisan process to consolidate and reshape Congressional committee oversight of DoD. <sup>48</sup>			

The BG-N study team notes, in conclusion, that some of its recommendations will save money, while others call for more expenditure. We have not tried to “balance the books” among our recommendations, as any financial implications will largely depend on the details of an implementation plan. Our recommendations are designed to enhance the efficiency and effectiveness of the Defense Department and key parts of the national security apparatus. We therefore consider the provision of additional resources, where necessary, to be investments, not costs, in first-order national priorities.

<sup>48</sup> We envision a legislated BRAC-like process with respect to our proposals for strengthening Congressional oversight, but in reality Congress can change the law by adopting rules for its own procedures.

## Chapter 11

### BG-N Phase 2 Agenda

Our Phase 2 agenda of issues has evolved out of our Phase 1 work. The vetting process was particularly useful in this regard, because many of the former senior officials expressed broad support for the Phase 1 recommendations but identified additional issues that CSIS should address during Phase 2. CSIS currently plans to address the following issues during Phase 2:

#### *Organizing for new missions and new domains of warfare.*

- DoD has been adapting in the face of changing mission requirements and the evolution of warfare, but probably has not gone far enough.
  - For example, US Northern Command (USNORTHCOM) stood up before the Department of Homeland Security was created.
- At a minimum, the BG-N study team will look at how DoD is organized for homeland defense, counterterrorism and stability operations, as well as space and cyberspace.

#### *Building on the Phase 1 interagency work.*

- The most common reaction we received to our BG-N Phase 1 recommendations to improve the planning and conduct of interagency operations was: “Good recommendations, but you need to do more.”
- In Phase 2, the BG-N study team will address this issue from a more strategic perspective and will attempt to provide, as one stakeholder requested, “A Goldwater-Nichols for the interagency.”

#### *The defense acquisition process.*

- Despite repeated efforts at acquisition reform, weapons procurement is still too slow and costly.
- The Program Executive Officer (PEO) structure set up by Goldwater Nichols must be revisited.

#### *Unified Command Plan (UCP) issues.*

- Will the role of regional Combatant Commanders change in an era of global force management?

#### *Organization and staffing of Joint Task Force Headquarters below the four-star Combatant Commander.*

- There are more than 35 Joint Task Forces deployed worldwide, many with 60-70 percent manning. Goldwater-Nichols never envisioned this.

#### *The defense agencies.*

- A zero-based assessment of the defense agencies, now responsible for about a fifth of the DoD budget, is long overdue.

*Implementation of Goldwater-Nichols' provisions on the joint officer management and joint professional military education (JPME) systems.*

- Congress remains highly interested in these issues.

The BG-N Phase 2 effort will begin on April 1, 2004 and last 12 months. CSIS plans to publish the Phase 2 report in mid-February 2005. In a parallel, but closely related effort, CSIS also plans to examine Total Force and All-Volunteer Force (AVF) issues. The current pace of military operations, particularly in Iraq, is straining the Total Force and raises substantial concerns about the long-term sustainability of both the Total Force and AVF.

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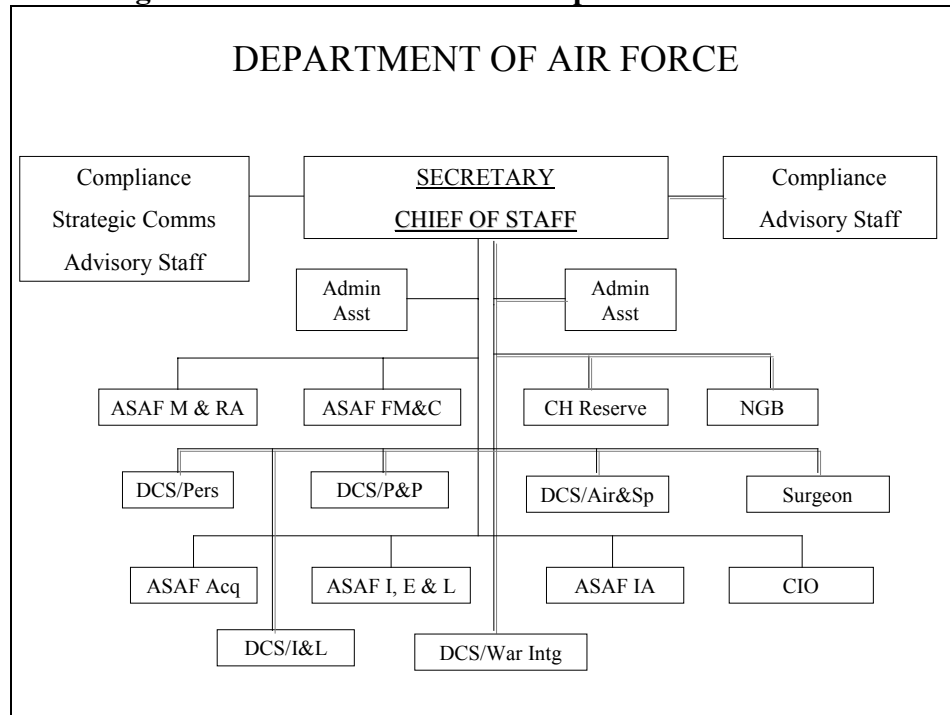
Gary Reese  
Michael Ryan  
Robert Shields  
Larry Smith  
Richard Weitz  
Kim Wincup

Appendix 2  
**Participants in High-Level Review Sessions**

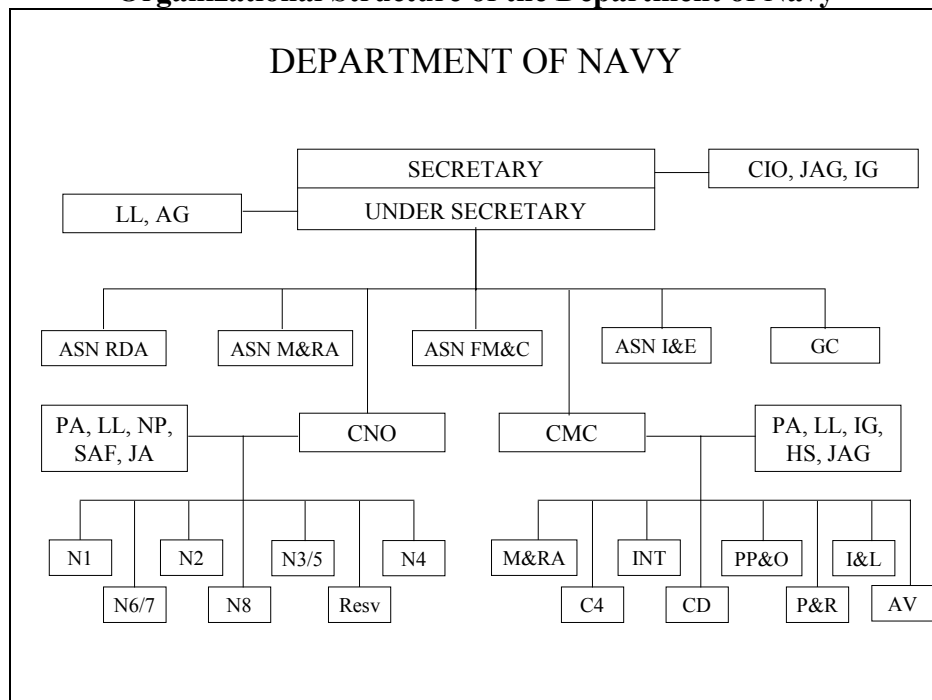
Admiral Dennis C. Blair, USN (Ret)  
Barry Blechman  
General Charles Graham Boyd, USAF (Ret)  
Harold Brown  
Zbigniew Brzezinski  
Frank C. Carlucci  
Richard Danzig  
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### Appendix 3 Organizational Charts

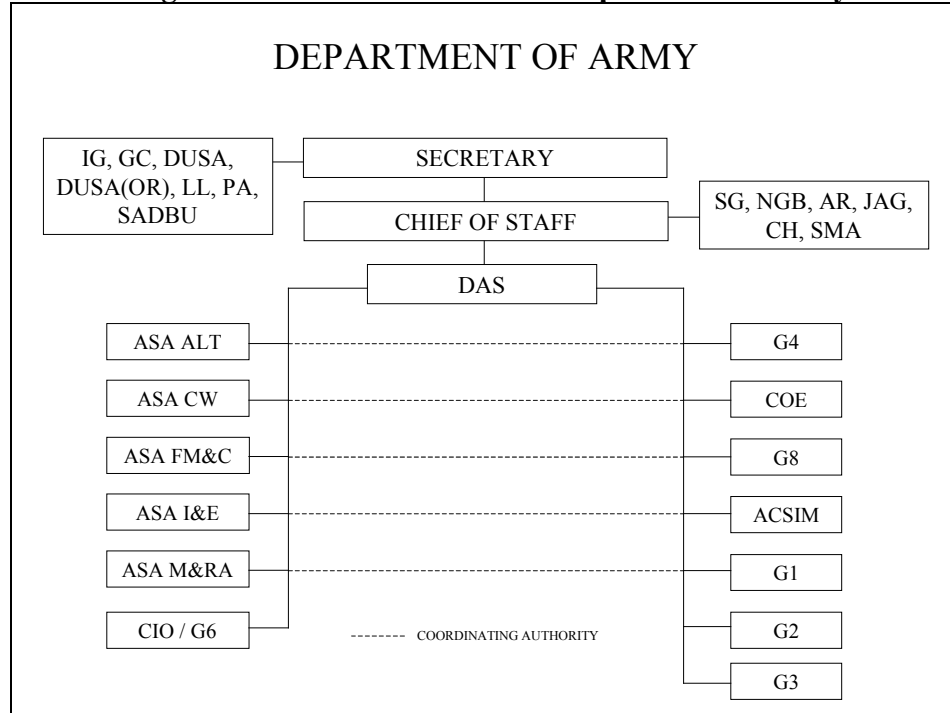
**Figure 1**  
**Organizational Structure of the Department of Air Force**



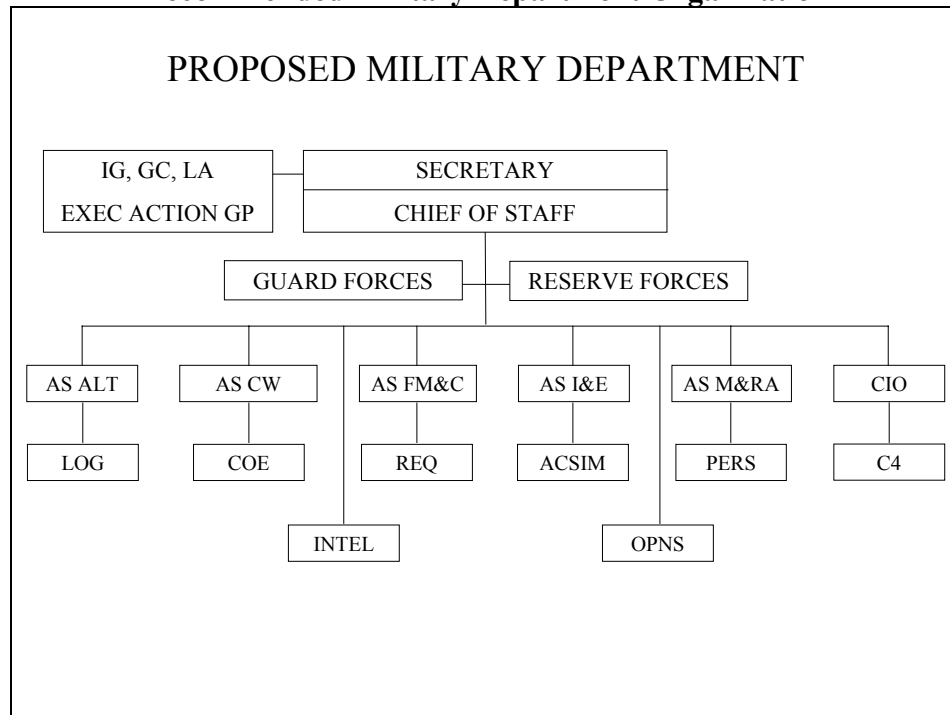
**Figure 2**  
**Organizational Structure of the Department of Navy**



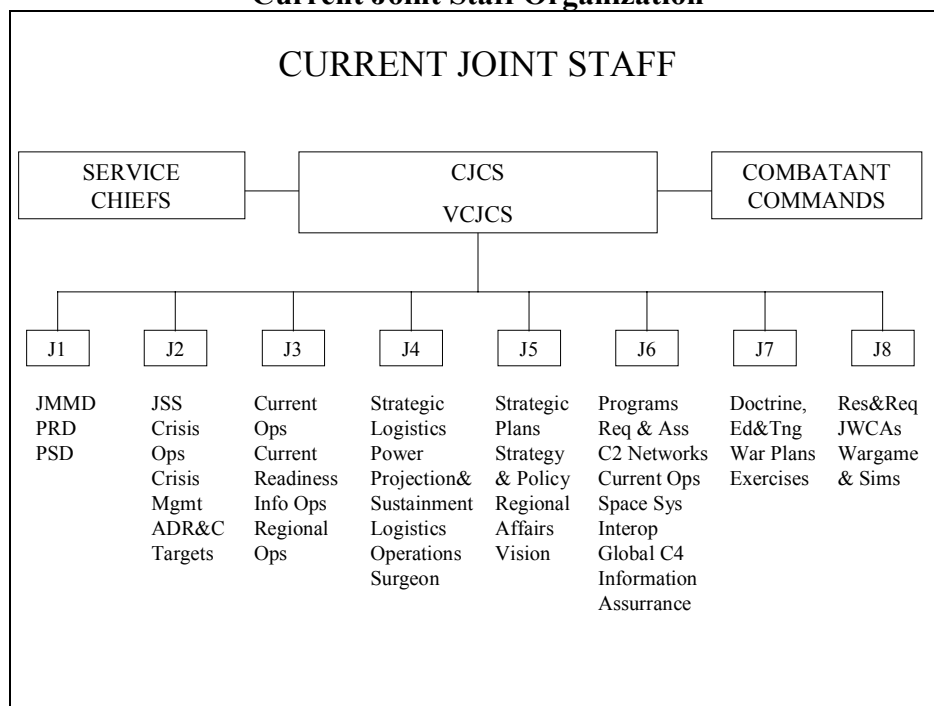
**Figure 3**  
**Organizational Structure of the Department of Army**



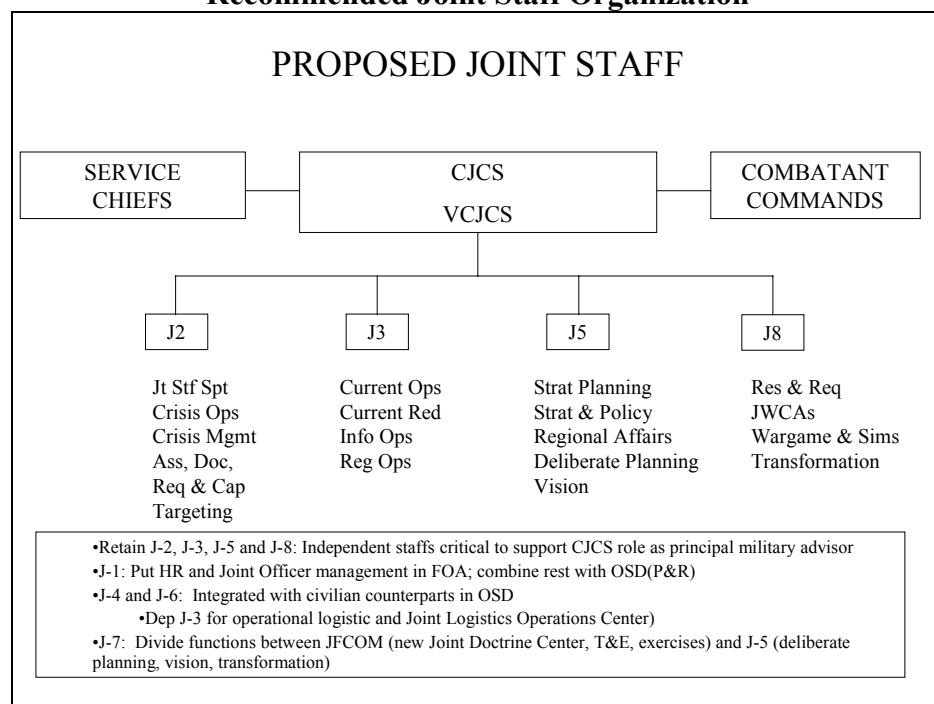
**Figure 4**  
**Recommended Military Department Organization**



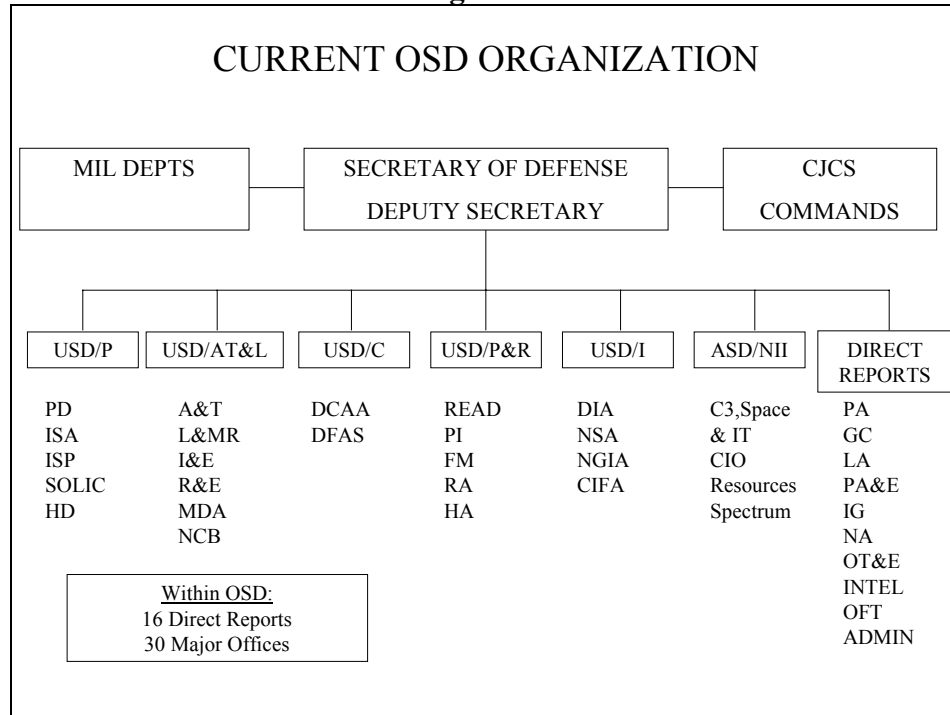
**Figure 5**  
**Current Joint Staff Organization**



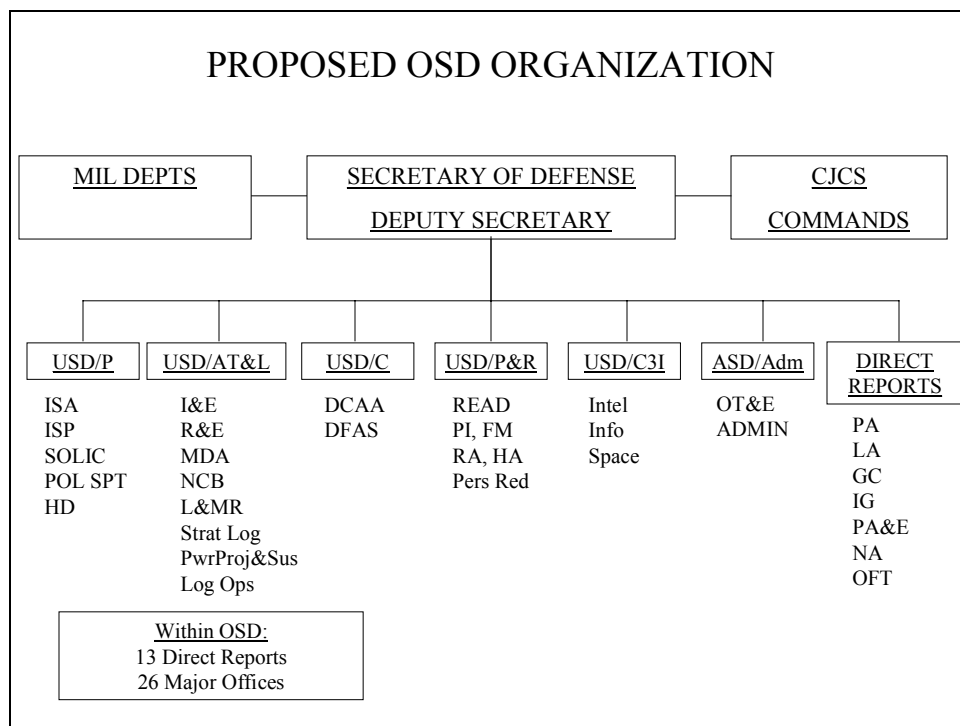
**Figure 6**  
**Recommended Joint Staff Organization**



**Figure 7**  
**Current OSD Organizational Structure**



**Figure 8**  
**Recommended OSD Structure**



### **List of Chart Abbreviations**

ADR&C	Assessments, Doctrine, Requirements and Capabilities
AG	Auditor General
AS	Assistant Secretary
ASA	Assistant Secretary of the Army
ASAF	Assistant Secretary of the Air Force
ASN	Assistant Secretary of the Navy
AT&L	Acquisition, Technology, and Logistics
ACSIM	Assistant Chief of Staff, Installation Management
ALT	Acquisition, Logistics & Technology
AR	Army Reserve
AV	Aviation
C	Comptroller
CD	Combat Developments
CH	Chaplain
CIFA	Counterintelligence Field Activity
CIO	Chief Information Officer
CJCS	Chairman Joint Chiefs of Staff
CMC	Commandant Marine Corps
CNO	Chief of Naval Operations
CW	Civil Works
C4	Command, Control, Communications, and Computers
DAS	Director Army Staff
DIA	Defense Intelligence Agency
DCAA	Defense Contract Audit Agency
DCS	Deputy Chief of Staff
DFAS	Defense Finance and Accounting Service
DUSA	Deputy Under Secretary of the Army
FM	Force Management
FM&C	Financial Management & Comptroller
HA	Health Affairs
HD	Homeland Defense
HS	Health Services
I	Intelligence
IA	International Affairs
I, E&L	Installations, Environment & Logistics
IG	Inspector General
I&L	Installations & Logistics
INT	Intelligence
ISA	International Security Affairs
ISP	International Security Policy
IT	Information Technologies
JAG	Judge Advocate General
JMMD	Joint Manpower Management Division
JSS	Joint Staff Support

JWCA	Joint Warfighting Capability Assessment
LL	Legislative Liaison
LMR	Logistics Materiel Readiness
LOG	Logistics
M&RA	Manpower & Reserve Affairs
MDA	Missile Defense Agency
NA	Net Assessments
NCB	Nuclear, Chemical, Biological
NGIA	National Geospatial-Intelligence Agency
NGB	National Guard Bureau
NII	Networks Information Integration
NP	Nuclear Propulsion
NSA	National Security Agency
P	Policy
PA	Public Affairs
PA&E	Program Analysis & Evaluation
Pers	Personnel
POL SPT	Policy Support
P&P	Plans & Policy
PP&O	Plans, Policy & Operations
R&E	Research & Engineering
PI	Program Integration
PR	Programs & Resources
P&R	Personnel & Readiness
PRD	Personnel Readiness Division
PSD	Personnel Services Division
OFT	Office Force Transformation
OR	Operations Research
OT&E	Operational Test & Evaluation
RA	Reserve Affairs
RDA	Research, Development & Acquisition
READ	Readiness
REQ	Requirements
SADBU	Small and Disadvantaged Business Utilization
SAF	Safety
SG	Staff Group
SMA	Sergeant Major of the Army
SOLIC	Special Operations & Low-Intensity Conflict
USD	Under Secretary of Defense